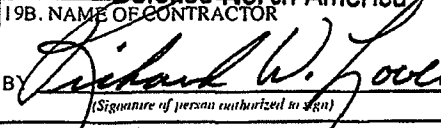


EXHIBIT

4

AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING	DOA1	PAGE OF PAGES 1 61	
2. CONTRACT (Proc. Inst. Ident.) NO. N00019-03-C-0355		3. EFFECTIVE DATE		4. REQUISITION/PURCHASE REQUEST/PROJECT NO. PID# N00019-03-P1-PJ190 / PR# 10065315			
5. ISSUED BY NAVAL AIR SYSTEMS COMMAND BLDG 2272 SUITE 453 AIR 2.2.2.11 47123 BUSE ROAD PATUXENT RIVER, MD 20670-1547 John Tomechko 301-757-7032 TomechkoJR@navair.navy.mil		CODE N00019	6. ADMINISTERED BY (If other than Item 5) DEFENSE CONTRACT MANAGEMENT AGENCY ROLLS-ROYCE CORPORATION -INDIANAPOLIS, IN 2001 SOUTH TIBBS AVENUE INDIANAPOLIS, IN 46241				
7. NAME AND ADDRESS OF CONTRACTOR (Name, street, city, county, state and zip code) ROLLS-ROYCE CORPORATION, DEFENSE NORTH AMERICA 2001 SOUTH TIBBS AVENUE, MAIL STOP U20 INDIANAPOLIS, IN 46241 Richard W. Lovell (317) 230-4343 Richard.W.Lovell@Rolls-Royce.com			8. DELIVERY [X] FOB ORIGIN [] OTHER (See below)				
			9. DISCOUNT FOR PROMPT PAYMENT None.				
			10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN:				
CODE 63005		FACILITY CODE		ITEM			
11. SHIP TO/MARK FOR SEE SCHEDULE		CODE	12. PAYMENT WILL BE MADE BY DFAS-COLUMBUS CENTER NORTH ENTITLEMENT OPERATIONS P.O. BOX 182266 COLUMBUS OH 43218-2266				
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: [X] 10 U.S.C. 2304(c)(1) [] 41 U.S.C. 253(c)()			14. ACCOUNTING AND APPROPRIATION DATA Not-to-Exceed				
15A. ITEM NO.	15B. SUPPLIES/ SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT		
	FY03 Advanced Acquisition Contract for the FY04 T56-A- 427 engine requirements						
15G. TOTAL AMOUNT OF CONTRACT NTE							
16. TABLE OF CONTENTS							
(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
X	A	SOLICITATION/ CONTRACT FORM	1	X	I	CONTRACT CLAUSES	32
X	B	SUPPLIES OR SERVICES AND PRICES/ COSTS	2	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS			
X	C	DESCRIPTION/ SPECS./ WORK STATEMENT	4	X	J	LIST OF ATTACHMENTS	
X	D	PACKAGING AND MARKING		PART IV - REPRESENTATIONS AND INSTRUCTIONS			
X	E	INSPECTION AND ACCEPTANCE	7	X	K	REPRESENTATIONS, CERTIFICATIONS AND	
X	F	DELIVERIES OR PERFORMANCE	8			OTHER STATEMENTS OF OFFERORS	
X	G	CONTRACT ADMINISTRATION DATA	13		L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
X	H	SPECIAL CONTRACT REQUIREMENTS	18		M	EVALUATION FACTORS FOR AWARD	
CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE							
17. [X] CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 1 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties in this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such previous representations, certifications, and specifications as are attached or incorporated by reference herein. (Attachments are listed herein.)				18. [] AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number			
19A. NAME AND TITLE OF CONTRACTING OFFICER Richard W. Lovell Contract Manager Defense North America (Type or print)				20A. NAME AND TITLE OF CONTRACTING OFFICER			
19B. NAME OF CONTRACTOR		19C. DATE SIGNED		20B. UNITED STATES OF AMERICA		20C. DATE SIGNED	
BY  (Signature of person authorized to sign)		030717		BY _____ (Signature of Contracting Officer)			



Rolls-Royce

Rolls-Royce Corporation
P.O. Box 420
Indianapolis, Indiana
46206-0420 USA

RWL:P03-072
Mail Code: U20
OFF: (317) 230-4343
FAX: (317) 230-2533
BFP 03-6110

July 15, 2003

Naval Air Systems Command
47123 Buse Road, Bldg. 2272 (UNIT IPT)
Patuxent River, MD 20670-1161

Attention: **John Tomechko, AIR 2.2.2.11**

Subject: **T56-A-427 AAC NTE ROM**

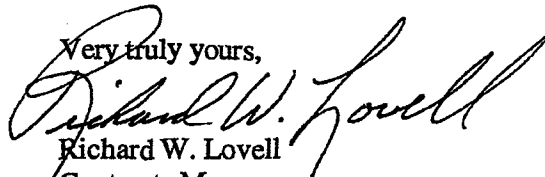
Rolls-Royce Corporation is providing the requested Rough Order of Magnitude price requested in [REDACTED]. Due to the requested quick response time Rolls-Royce Corporation reverted to using proposal data submitted in CY 2000 that was used to negotiate the current contract N00019-98-C-0122. This contracts cost data contained many similarities in that it also was an AAC that became a Multiyear contract. Data within that cost proposal provided insight into labor learning curve and material savings for a much larger continuous production scenario. Unfortunately those same circumstances do not exist and similar savings cannot be achieved in the very low quantities, required delivery schedules and funding cycle for the 4 engines or the planned annual low volume quantities added at the time of Multiyear contract conversion. The quantities estimated over the term of the contract is the lowest annual quantity procured to date and would be treated as small annual production lots losing nearly all labor and material cost efficiencies previously seen in the prior Multiyear contract.

The price at standards today are not reflective of a future small quantity production lot and were only used as a reference point to compare the CY2000 cost data with current conditions due to the impact of 9/11 and the commercial volume loss. The volume savings at cost in the CY2000 data represented approximately a [REDACTED] overall reduction in price over the term of the contract. Adding this back into the previously negotiated price and adjusting for increased standards due to the other economic factors of 9/11 the NTE ROM price is estimated at [REDACTED] per engine.

The NTE ROM price for Advanced Acquisition of DETC's is [REDACTED] each as previously proposed.

If you have any questions, please call Richard Lovell at 317-230-4343.

Very truly yours,


Richard W. Lovell
Contracts Manager
Code U20

AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RATING	DOA1	PAGE	OF PAGES
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				9. DISCOUNT FOR PROMPT PAYMENT None.			
CODE 63005 FACILITY CODE				10. SUBMIT INVOICES (If copies unless otherwise specified) TO THE ADDRESS SHOWN IN:		ITEM	
11. SHIP TO/MARK FOR SEE SCHEDULE		CODE	12. PAYMENT WILL BE MADE BY DFAS-COLUMBUS CENTER NORTH ENTITLEMENT OPERATIONS P.O. BOX 182286 COLUMBUS OH 43218-2286		CODE HQ0337		
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: [X] 110 U.S.C. 2304(c)(1) [] 41 U.S.C. 253(c)(1)				14. ACCOUNTING AND APPROPRIATION DATA Not-to-Exceed			
15A. ITEM NO.	15B. SUPPLIES/ SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT		
	FY03 Advanced Acquisition Contract for the FY04 T56-A-427 engine requirements						
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X F	DELIVERIES OR PERFORMANCE	8	L	INSTRS. CONDS. AND NOTICES TO OFFERORS			
X G	CONTRACT ADMINISTRATION DATA	13	M	EVALUATION FACTORS FOR AWARD			
X H	SPECIAL CONTRACT REQUIREMENTS	18					
CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE							
17. (X) CONTRACTOR'S REPRESENTATION AND AGREEMENT (Contractor is required to sign this document and return it to the contracting officer.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise described above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract; (b) the solicitation, if any; and (c) such government regulations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed below.)				18. () AWARD (Contractor is not required to sign this document.) Year after on Solicitation Number including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as on the terms listed above and on any continuation sheets. This award constitutes the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. NAME AND TITLE OF CONTRACTOR Richard W. Lovell Contract Manager Defense North America				20A. NAME AND TITLE OF CONTRACTING OFFICER			
19B. NAME OF CONTRACTOR BY Richard W. Lovell		19C. DATE SIGNED 030717	20B. UNITED STATES OF AMERICA BY Julie E. Ingram		20C. DATE SIGNED 17Jul 03		

NSN 7540-01-152-0000

PREVIOUS EDITION UNUSABLE

26-107

(11/11/03) 03-000000

STANDARD FORM 26 (REV. 4-85)

Prescribed by GSA
FAR (48 CFR) 53.214(b)

SECTION B - SUPPLIES OR SERVICES AND PRICES

<u>Item</u>	<u>Supplies or Services</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total Price</u>
0001	FY 04 T56-A-427 Turboprop Engines – Installs – GFE for FY 04 Hawkeye 2000 Aircraft	4	EA		
	FOR FUNDING PURPOSES ONLY:				See para. H1
000101	FY 03 Advance Acquisition for FY 04 T56-A-427 Engines ACRN: AA \$832,000				
000102	FY 04 T56-A-427 Engines ACRN: TBD				
0002	FY 03 Advance for DETC EHR2 for FY 04 Installs ACRN: AA	4	EA		
0003	Life of Type Procurement of Obsolete DETCs for Installs through FY 07 ACRN: AA	1	LT		
0004	Technical, Financial and Administrative Data for Items 0001, 0002 and 0003 (See Exhibit A)	1	LO		
				Total Not-to- Exceed (NTE) Price	

The Limitation of Liability for Item 0001 is . The Not-To-Exceed Price of Items 0002 and 0003 is . In no event shall the definitized price for Items 0001, 0002 and 0003 exceed this amount. The total amount funded against all line items is .

B-1 NATIONAL STOCK NUMBERS (APR 1985) (NAVAIR 5252.204-9501)

(a) This clause applies to supplies which are stock numbered under Federal Catalog System procedures.

(b) Unless otherwise authorized by the Contracting Officer, in writing, the Contractor shall not deliver any supplies until the supplies have been marked with a National Stock Number. All available National Stock Numbers will be furnished by the Government. If National Stock Numbers are not furnished by the Government in time to meet the delivery schedule for the supplies, the Contractor may present the supplies which are scheduled for delivery to the Contracting Officer for acceptance. The Contracting Officer may accept such supplies without National Stock Numbers and the Government will pay the Contractor therefore, provided, that title to the supplies is vested in the Government.

(c) The term "Federal Stock Number" (FSN), which may be referred to in the specifications of this contract or elsewhere in this contract, shall mean "National Stock Number" (NSN), and the term "Federal Item Identification Number", wherever it appears, shall mean "National Item Identification Number".

(As used in the foregoing clause, the term "Contracting Officer" shall mean the "Administrative Contracting Officer" (ACO) with respect to provisioned items and other supplies ordered by the ACO.)

SECTION C - DESCRIPTION OR SPECIFICATION OR WORK STATEMENT

Item 0001:

The Model T56-A-427 Engines tendered for delivery under the CLINs listed above shall conform to the Engine Specification and drawings as specified below:

(a) Engine Specification

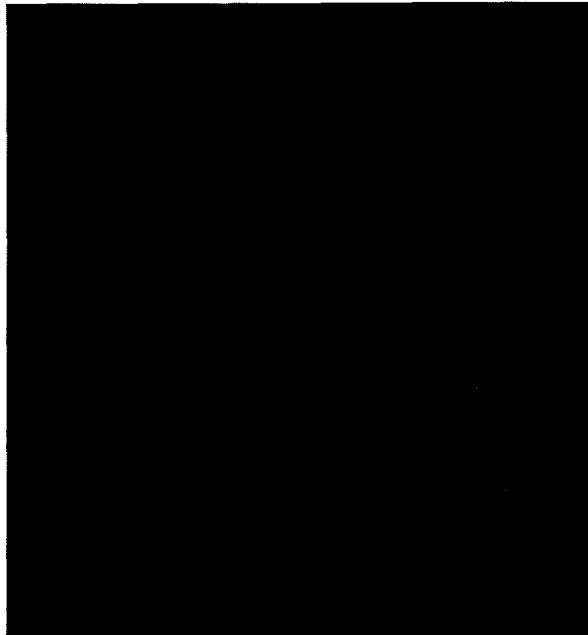
[REDACTED] Those ECPs are appropriately described as "approved" if they have been previously formally approved in accordance with NAVAIR configuration control procedures described in the particular contract under which they were submitted.

(b) Drawings - The engines shall conform to the drawings depicting the parts comprising the established configuration baseline for the T56-A-427 Engine as such list has been modified by Class I and Class II changes formally approved by the Government prior to contract award.

LIST OF APPROVED ECPs TO BE INCORPORATED

ECP

SUBJECT



If the obligation to conform to any of the drawings conflicts with the obligation to conform to specification requirements, the specification requirements shall prevail; however, a part appearing on such parts list may not be changed in any manner from the version depicted on its applicable drawing in order to conform to specification requirements unless the change is approved under the configuration control procedure described in Section H, "Special Contract Requirements" entitled "Configuration Control Procedures for Engineering Changes, Deviations and Waivers - MIL-STD-973, Notice 1".

Aircraft engine serial numbers shall be assigned consistent with previous engines delivered to the Navy. In absence of a suitable commercial specification, guidance to assigning serial numbers may be found in MIL-STD-1559A with Notice 2 dated 14 June 1991: TITLED, "NUMBERS, SERIAL, AIRCRAFT GAS TURBINE ENGINE AND ENGINE MODULE ASSIGNMENT OF."

The Contractor shall maintain the Parts Control Program in accordance with best commercial practices and attachment (1) Statement of Work (SOW) for T56-A-427 Engine Parts Control Program.

Commercial standards equivalent to the following documents shall be applicable to electronics or electronic equipment produced under this contract. Redesign of existing equipment is not required to meet these requirements:

- 1) MIL-HDBK-454 General Guidelines for Electronic Equipment (28 April 1995)
- 2) IPC-D-275 Printed Wiring for Electronic Equipment,
- 3) MIL-P-55110D Printed Wiring Boards Amendment #5 (02 Dec 90)
- 4) MIL-STD-1686A Electrostatic Discharge Control Program (08 Aug 88)

Documents listed above are available from CO, U.S. Naval Publications and Form Center, 5801 Tabor Avenue, Philadelphia, PA 19111.

Included is the following for the U.S. Navy.

- (a) Update Level 3 Engineering Drawings for Class II changes in accordance with best commercial practice.
- (b) Continue to maintain a configuration control function and process Class II Engineering Change Proposals (ECPs), Requests for Deviation, Request for Waivers, Notice of Revision and Specification Change Notices (SCNs) in accordance with best commercial practice "best commercial practice" as modified in Special Contract Requirements clause entitled "Configuration Control Procedures". (Note: Class I ECPs shall be developed and submitted in accordance with the Engine Component Improvement Program Contract.)
- (c) Provide engine logbooks and be responsible for logbook entries for each engine delivered hereunder in accordance with the most recent version of OPNAV INSTR 4790.2H or the 1, Chapter 6, Volume 2.
- (d) Conduct Safety Review of Deviations and Waivers in accordance with best commercial practice.
- (e) Maintain a Reliability and Maintainability Program in accordance with best commercial practices and with Attachment #2.
- (f) Compile initial data required upon delivery of engines into the Government's inventory so that systems such as the Aircraft Engine Management System can begin tracking the status of the engines throughout their life cycle.

Items 0002: Digital Electronic Trim Controls (DETCs) - The contractor shall provide life of type buys as necessary to support delivery of the DETCs incorporated in Item 0001 with delivery to be definitized in accordance with Section H1. Such buys may include parts, components or assemblies to support the producibility of the current configuration of Item 0001.

Item 0003: Digital Electronic Trim Controls (DETCs) - The contractor shall provide life of type DETCs as necessary to include parts, components or assemblies as necessary to support producibility of the current T56-A-427 engine configuration through FY07.

Item 0004 - The data to be furnished hereunder shall be in accordance with Exhibit A, Contract Data Requirements List, DD Form 1423.

TECHNICAL DATA VALIDATION AND REVIEW

If this contract provides for the furnishing of technical data, the following provisions shall be applicable:

(a) The Contractor shall maintain quality assurance procedures with relation to drawings, documentation and changes in conformance with ISO 9001:1994(E) and commercial standards ANSI/ASQC Q90- Q94., specifically, ANSI/ASQC Q9001.

(b) Technical data required to be furnished under this contract by the Contractor shall be subject to in-process and final review for the Government by Naval Air Technical Services Facility, Production Engineering Department, Code NATSF-61D, Washington Navy Yard, Bldg. 220, Washington, D.C. 20374-5017.

SECTION D - PACKAGING AND MARKING

Item 0001: The T56-A-427 (Installs) Navy engines to be furnished under the listed CLINs shall be preserved and packaged in Government furnished one (1) piece metal engine shipping containers. Use best commercial practices so as to ensure that adequate protection is provided against corrosion, deterioration, and physical damage during shipment and handling from the source of supply to the ultimate destination and until final installation.

Item 0002 and 0003 -- (DETCs) Packaging and marking are not applicable to this item.

Item 0004 - All data submissions shall be identified with titles in the Contract Data Requirements List (CDRL), DD Form 1423. Titles shall include Contract Data Item, Exhibit, Program, Contract Number, Contractor, Data Item Number, Title of Data Item, Subtitle and Authority. The data submissions shall be marked for the addressees listed in the CDRL. The data submissions shall be adequately packaged and packed in accordance with best commercial practices so as to assure safe delivery at destination to addressee(s).

MARKING OF SHIPMENTS - Items 0001- Shipments shall be marked in accordance with best commercial practices. Attachment 4 entitled "Logistics Applications of Automated Marking and Reading Symbols (LOGMARS)" may be used for reference.

Item 0001 - Mark exterior of metal shipping container {in four (4) inch letters}
"FY-04 USN E-2C Production Installs"

Item 0002 - Item will be shipped within Item 0001 and will not require a separate marking or shipping container.

SECTION E - INSPECTION AND ACCEPTANCE

Items 0001 and 0002: The supplies and services to be performed under these items shall be inspected and accepted at source, the Contractor's plant, Rolls-Royce Corporation, Indianapolis, Indiana, by the cognizant Contract Administration Office (CAO). The Material Inspection and Receiving Report (MIRR), DD Form 250, shall be executed by CAO after the engine successfully completes acceptance testing requirements in accordance with Engine Model Specification 912D dated 21 October 1999.

Item 0003: The supplies and services to be performed under these items shall be inspected and accepted at source, the Contractor's plant, Rolls-Royce Corporation, Indianapolis, Indiana, by the cognizant Contract Administration Office (CAO). The Material Inspection and Receiving Report (MIRR), DD Form 250, shall be executed by the CAO after the DETCs have been successfully completed the acceptance test procedures associated with part # 23052633.

Item 0004: - Inspection and acceptance of the contract data to be furnished hereunder shall be in accordance with Exhibits A Contract Data Requirements List, DD Form 1423. Acceptance of the data called for hereunder (if required by Block 7 of DD Form 1423) shall be performed by the first addressee in the distribution list under Block 14 of the DD Form 1423.

The following applies to all items under this contract:

For all items under this Contract, Government procurement Quality Assurance shall be performed at the Contractor's plant and at such subcontractor's plants as the ACO may designate. The Contractor shall maintain Quality Assurance procedures with relation to drawings, documentation and changes in accordance with ISO 9001:1994(E) and ANSI/ASQC Q 9001. The Contractor shall have a "corrective action and disposition system for non-conforming material," in accordance with ANSI/ASQC Q9001:1994(E) and ANSI/ASQC Q 9001. Software quality assurance shall be in accordance with Allison Software Procedures and Software Considerations in Airborne Systems and Equipment Certifications.

SECTION E - CLAUSES INCORPORATED BY REFERENCE

FAR 52.246-2 INSPECTION OF SUPPLIES--FIXED-PRICE (AUG 1996)

FAR 52.246-4 INSPECTION OF SERVICES--FIXED-PRICE (AUG 1996)

FAR 52.246-16 RESPONSIBILITY FOR SUPPLIES (APR 1984)

NAVAIR 5252.246-9526 ACCEPTANCE UNDER FIXED-PRICE CONTRACTS (JAN 1991)

SECTION F - DELIVERIES OR PERFORMANCE

Item 0001 - The Contractor shall deliver the engines to the Contractor's plant, Indianapolis, IN, in the month specified, but not later than the last day of the month in accordance with the following schedule:

Item	CY Year	31 Jan	28 Feb	31 Mar	30 Apr	31 May	30 Jun	31 Jul	31 Aug	30 Sep	31 Oct	30 Nov	31 Dec
0001	2004											2	
	2005					2							

Item 0002 (DETCs) - Item 0002 will be delivered as part of Item 0001.

Item 0003 (Life of type DETCs) - The contractor shall deliver the parts, components and assemblies to support the producibility of the existing T56-A-427 configuration through FY07 to be held in Government bonded storage. Delivery dates to be negotiated.

Item 0004 This data shall be delivered prepaid to the addressees identified in the corresponding CDRL distribution lists at the addresses listed in Supplement 1 to Exhibits and in accordance with delivery schedules identified in the corresponding Exhibits.

F-1 TRANSPORTATION OF SUPPLIES BY SEA (MAY 2002) (DFARS 252.247-7023)

(a) Definitions. As used in this clause --

(1) "Components" means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication, or assembly by the Contractor or any subcontractor.

(2) "Department of Defense" (DoD) means the Army, Navy, Air Force, Marine Corps, and defense agencies.

(3) "Foreign flag vessel" means any vessel that is not a U.S.-flag vessel.

(4) "Ocean transportation" means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters.

(5) "Subcontractor" means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract.

(6) "Supplies" means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea.

(i) An item is clearly identifiable for eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.

(ii) "Supplies" includes (but is not limited to) public works; buildings and facilities; ships; floating equipment and vessels of every character, type, and description, with parts, subassemblies, accessories, and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing.

(7) "U.S.-flag vessel" means a vessel of the United States or belonging to the United States, including any vessel registered or having national status under the laws of the United States.

(b) (1) The Contractor shall use U.S.-flag vessels when transporting any supplies by sea under this contract.

(2) A subcontractor transporting supplies by sea under this contract shall use U.S.-flag vessels if-

(i) This contract is a construction contract; or

(ii) The supplies being transported are--

(A) Noncommercial items; or

(B) Commercial items that--

(1) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it contracts for f.o.b. destination shipment);

(2) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or

(3) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

(c) The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that --

(1) U.S.-flag vessels are not available for timely shipment;

(2) The freight charges are inordinately excessive or unreasonable; or

(3) Freight charges are higher than charges to private persons for transportation of like goods.

(d) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum --

- (1) Type, weight, and cube of cargo;
- (2) Required shipping date;
- (3) Special handling and discharge requirements;
- (4) Loading and discharge points;
- (5) Name of shipper and consignee;
- (6) Prime contract number; and
- (7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

(e) The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Maritime Administration, Office of Cargo Preference, U.S. Department of Transportation, 400 Seventh Street SW., Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information:

- (1) Prime contract number;
- (2) Name of vessel;
- (3) Vessel flag of registry;
- (4) Date of loading;
- (5) Port of loading;
- (6) Port of final discharge;
- (7) Description of commodity;
- (8) Gross weight in pounds and cubic feet if available;
- (9) Total ocean freight in U.S. dollars; and
- (10) Name of the steamship company.

(f) The Contractor shall provide with its final invoice under this contract a representation that to the best of its knowledge and belief—

- (1) No ocean transportation was used in the performance of this contract;
- (2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the contract;

(3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or

(4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer. The Contractor shall describe these shipments in the following format:

ITEM DESCRIPTION	CONTRACT LINE ITEMS	QUANTITY
TOTAL		

(g) If the final invoice does not include the required representation, the Government will reject and return it to the Contractor as an improper invoice for the purposes of the Prompt Payment clause of this contract. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

(h) In the award of subcontracts for the types of supplies described in paragraph (b)(2) of this clause, the Contractor shall flow down the requirements of this clause as follows:

(1) The Contractor shall insert the substance of this clause, including this paragraph (h), in subcontracts that exceed the simplified acquisition threshold in part 2 of the Federal Acquisition Regulation.

(2) The Contractor shall insert the substance of paragraphs (a) through (e) of this clause, and this paragraph (h), in subcontracts that are at or below the simplified acquisition threshold in part 2 of the Federal Acquisition Regulation.

F-2 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (MAR 2000) (DFARS 252.247-7024)

(a) The Contractor has indicated by the response to the solicitation provision, Representation of Extent of Transportation by Sea, that it did not anticipate transporting by sea any supplies. If, however, after the award of this contract, the Contractor learns that supplies, as defined in the Transportation of Supplies by Sea clause of this contract, will be transported by sea, the Contractor --

(1) Shall notify the Contracting Officer of that fact; and

(2) Hereby agrees to comply with all the terms and conditions of the Transportation of Supplies by Sea clause of this contract.

(b) The Contractor shall include this clause; including this paragraph (b), revised as necessary to reflect the relationship of the contracting parties--

- (1) In all subcontracts under this contract, if this contract is a construction contract; or
- (2) If this contract is not a construction contract, in all subcontracts under this contract that are for--

(i) Noncommercial items; or

(ii) Commercial items that--

(A) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it subcontracts for f.o.b. destination shipment);

(B) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or

(C) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

F - 3 VARIATION IN QUANTITY (APR 1984)
FAR 52.211-16

(a) A variation in the quantity of any item called for by this contract will not be accepted unless the variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified in paragraph (b) below.

(b) The permissible variation shall be limited to:

Zero Percent increase

Zero Percent decrease

F- 4 CLAUSES INCORPORATED BY REFERENCE

FAR 52.242-15	STOP-WORK ORDER (AUG 1989)
FAR 52.242-17	GOVERNMENT DELAY OF WORK (APR 1984)
DFARS 252.246-7000	MATERIAL INSPECTION AND RECEIVING REPORT (DEC 1991)
FAR 52.247-29	F.O.B. ORIGIN (JUN 1988)
FAR 52.246-2	INSPECTION OF SUPPLIES - - FIXED PRICE (AUG 1996)
FAR 52.246-4	INSPECTION OF SERVICES - - FIXED PRICE (AUG 1996)
FAR 52.246-11	HIGHER LEVEL CONTRACT QUALITY REQUIREMENT (FEB 1999)
	(X) Quality Program Requirements, ISO9001:1994(E) and ANSI/ASQC Q9001
	(X) Inspection System Requirements, ANSI/ASQC Q9001:1994(E)
FAR 52.246-16	RESPONSIBILITY FOR SUPPLIES (APR 1984)

SHIP TO ADDRESS

This is an AAC which shall be definitized at a later point in time as a Firm-Fixed Price contract. The shipping address will be established at that time

SECTION G - CONTRACT ADMINISTRATION DATA

Contract Administration
Office:

Contract administration functions (see FAR 42.302, DOD FAR Supplement 42.302 and the Navy Acquisition Regulations Supplement 42.302) are assigned to:

**DCMA Indianapolis
2001 South Tibbs Avenue
Indianapolis, IN 46241**

Contract administration functions withheld, additional

None

The Accounting Classification Reference Number(s) (ACRN) assigned by the Naval Air Systems Command shall be used in applicable contract modifications or orders or modifications thereto issued by the cognizant contract administration office. If no ACRN is assigned by the Naval Air Systems Command, the contract administration office may assign an alphanumeric ACRN (A1 through B9 and continuing, if necessary, through Z9, excluding the letters "I" and "O") (see DFARS 204.7107).

The cognizant contract administration office shall distribute to the U.S. Navy International Logistics Control Office (NAVILCO) (Code 20), 700 Robbins Avenue Philadelphia, Pennsylvania 19111, a copy of any report or document which indicates an anticipated or actual delay in the delivery of supplies or services called for under the Navy International Logistics Program (ILP), Foreign Military Sales (FMS) or Military Assistance Program (MAP) Item(s) identified in Section B, if any. Copies of reports or documents distributed to NAVILCO shall include the applicable Item number, the FMS Case identifier and FMS country (or MAP record Control/Program Directive number identifier) and the requisition number and shall be in addition to any other distribution required by this contract or directives applicable to the cognizant contract administration office (see NAPS5225.890(a)(2)).

When the paying office determines that conditions permit payment by Electronic Funds Transfer (EFT) and the contractor has elected to receive payment via EFT, payment can be made pursuant to the "Electronic Funds Transfer Payment Methods" clause of this contract.

PCO Quality Assurance Representative:

Any quality questions, comments, problems, recommendations, etc., which cannot be resolved at the Administrative Contracting Officer (ACO) level should be communicated either formally or informally, to the Procuring Contracting Officer (PCO) QAR designated below:

Department of the Navy
Naval Air Systems Command Headquarters
(Code AIR-4.1.1)
47123 Buse Road Building 2272 (Unit IPT)
Patuxent River, MD 20670-1547
DSN: 757-7196 (Area Code: 301-757-7196)

Paying Office:

The disbursing office which will make payments is

DFAS-COLUMBUS CENTER
NORTH ENTITLEMENT OPERATIONS
P.O. BOX 182266
COLUMBUS OH 43218-2266

Remittance Address:

The address to which payments should be electronically

Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, NY 10005

ABA Number of Financial Institution
021000021

Contractor Account Number
400-707764

SPECIAL DISTRIBUTION—MATERIAL INSPECTION AND RECEIVING REPORT (MIRR) (DD FORM 250 SERIES) (APR 1985) (NAVAIR 52.246-9500)

The Contractor may obtain from the cognizant contract administration office, upon request, at no cost, Material Inspection and Receiving Reports (MIRR) (DD Form 250 series) required for use in connection with this contract (see DOD FAR Supplement Appendix I (I-105)). Copies of the MIRR used as an invoice or as a packing list are in addition to copies of the MIRR required for distribution (see DOD FAR Supplement Appendix I (I-306 and I-307)). The MIRR which the Contractor is required to prepare and furnish at the time of each delivery of supplies or services as provided in the clause of this contract entitled "Material Inspection and Receiving Report" shall be distributed, postage prepaid by the Contractor, in accordance with DOD FAR Supplement Appendix I (I-401). Distribution of the MIRR shall be in accordance with and limited to the distribution and quantities as provided in Table 1 (Standard Distribution) and Table 2 (Special Distribution) of DOD FAR Supplement Appendix I (I-401). Address of special distribution recipients of the MIRR which are not specified in DOD FAR Supplement Appendix I, Table 2 (F-401) are as follows:

Item

Special Distribution (DD Form 250)

All end items

PROGRAM EXECUTIVE OFFICER TACTICAL AIRCRAFT

delivered under
terms of this
contract

PMA-231G SUITE 455
NAVAL AIR SYSTEMS COMMAND HEADQUARTERS
47123 BUSE ROAD, BUILDING 2272 (UNIT IPT)
PATUXENT RIVER, MD 20670-1547

All end items
delivered under
terms of this
contract

COMMANDER
NAVAL AIR SYSTEMS COMMAND (AIR-4.1.1.1)
NAVAL AIR SYSTEMS COMMAND HEADQUARTERS
47123 BUSE ROAD, BUILDING 2272 (UNIT IPT)
PATUXENT RIVER, MD 20670-1547

All end items
delivered under
terms of this
contract

DCM-INDIANAPOLIS, ROLLS-ROYCE CORPORATION
2001 SOUTH TIBBS AVENUE
INDIANAPOLIS, INDIANA 46241

All end items
delivered under
terms of this
contract

COMMANDER
NAVAL AIR SYSTEMS COMMAND (AIR-2.2.2.11)
NAVAL AIR SYSTEMS COMMAND HEADQUARTERS
47123 BUSE ROAD, BUILDING 2272 (UNIT IPT)
PATUXENT RIVER, MD 20670-1547

All end items
delivered under
terms of this
contract

DFAS - COLUMBUS CENTER
NORTH ENTITLEMENT OPERATIONS
P.O. BOX 182266
COLUMBUS, OHIO 43218-2266

ItemSpecial Distribution (DD Form 250)Data Item(s)

When a DD Form 1423 (Contract Data Requirements List) Exhibit is included in the contract, a MIRR (DD Form 250) shall be submitted as specified below for data called for under any sequence number (exhibit line item) for which the Government enters a separate price under a fixed-price type contract and for data required under any sequence number (exhibit line item) which provides that source inspection and acceptance is required or that acceptance is to be made at destination ("SS", "SD" or "DD" appears (or to be inserted) in block 7 of DD Form 1423 when a MIRR is required). For such data sequence number(s) (exhibit line item(s)), a MIRR shall be submitted only to the first addressee listed in the distribution list (block 14 of DD Form 1423). Other distribution copies of the required data shall be submitted to all other addressees by letter of transmittal. All addressees listed in the distribution list (block 14 of DD Form 1423) shall be listed on the MIRR submitted for a data sequence number (exhibit line item). If the required data is to be delivered periodically during the performance of this contract (see blocks 10, 11, 12 and 13 of DD Form 1423), a single MIRR shall be submitted at the time of final delivery of the data. Data deliveries other than the final delivery shall be submitted by letter of transmittal. A MIRR is not required for any data submitted by letter of transmittal.

Codes relating to Government inspection and acceptance requirements which may be cited in block 7 of a DD Form 1423 (Contract Data Requirements List) Exhibit are explained below:

CodeInspectionAcceptance

SD	*Source	Destination (to be submitted as specified above)
DD	Destination	Destination (to be submitted as specified above)
LT	Letter of transmittal only	
XX	Inspection and acceptance requirements are specified elsewhere in the contract.	

* Source means the Contractor's plant where the contract is performed.

SUBMISSION OF INVOICES (FIXED-PRICE) (JUL 1992) (NAPS 5252.232-9000)

(a) "Invoice" as used in this clause does not include contractor's requests for progress payments.

(b) The contractor shall submit original invoices with 3 copies to the address indicate on the solicitation/contract award form (SF 26-Block 10; SF 33-Block 23; SF 1447-Block 14) unless delivery orders are applicable, in which case invoices will be segregated by individual order and submitted to the address specified in the order (DD 1155-Block 13 or SF 26-Block 10).

THE CONTRACTOR SHALL SUBMIT ALL INVOICES ARISING UNDER THIS CONTRACT USING THE ACRN DESIGNATION IDENTIFIED IN SECTION B.

(c) The use of copies of the Material Inspection and Receiving Report (MIRR), DD Form 250, as an invoice is encouraged. DFARS Appendix F-306 provides instructions for such use. Copies of the MIRR used as an invoice are in addition to the standard distribution stated in DFARS F-401.

(d) In addition to the requirements of the Prompt Payment clause of this contract the contractor shall cite on each invoice the contract line item number (CLIN); the contract subline item number (SLIN), if applicable; the accounting classification reference number (ACRN) as identified on the financial accounting data sheets and the payment terms.

(e) The Contractor shall prepare:

_____	a separate invoice for each activity designated to receive the supplies or services.
_____	a consolidated invoice covering all shipments delivered under an individual order.
<u> X </u>	either of the above.

(f) If acceptance is at origin, the contractor shall submit the MIRR or other acceptance verification directly to the designated payment office. If acceptance is at destination, the consignee will forward acceptance verification to the designated payment office.

INVOICE INSTRUCTIONS:

1. General. Strict compliance with the Invoice Instructions will facilitate early payment of invoices. However, no payment can be made until the contract is returned, properly executed, to the Commander, Naval Air Systems Command, (Code AIR-2.2.6.4), Naval Air Systems Command Headquarters, 47123 Buse Road, Unit IPT, Patuxent River, MD 20670-1547.

2. Assignments. Notwithstanding an assignment of money claims pursuant to authority contained in the contract, the Contractor-not the assignee-is required to prepare invoices. Where such an assignment has been made, the original copy of the invoice must refer to the assignment and must show that payment of the invoice is to be made directly to the assignee as follows:

Pursuant to the instrument of assignment, dated _____ make payment of this invoice to (name and address of assignee).

3. Contractor Request for Progress Payment - If the contract provides for progress payments, each Contractor request for progress payment shall be submitted on Standard Form 1443, Contractor Request for Progress Payment, directly to the ACO with any additional information reasonably requested by the ACO.

If the contract includes Foreign Military Sales (FMS) requirements, request for progress payment shall be submitted in accordance with the procedures of the DFARS 252.232-7002 "Progress Payments for Foreign Military Sales Acquisitions" clause of the contract.

INSTRUCTIONS TO PAYING OFFICES:

(a) Invoices submitted for payment, which do not contain contract line item number (CLIN) (or subline item number (SLIN), if any) and the accounting classification reference number (ACRN) information, will be returned for correction.

(b) The disbursement of funds will be by the CLIN/SLIN/ACRN designation or when multiple ACRNs are used, disbursements will be prorated in proportion to the unliquidated balance within a CLIN or SLIN, if assigned.

(c) Progress Payments will be prorated based upon the unliquidated balance of all ACRN(s) assigned.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H-1 TERMS APPLICABLE ONLY TO THIS ADVANCE ACQUISITION CONTRACT (FIXED-PRICE)

The following terms and conditions relating only to CLINs 0001, 0002 and 0003 of this advance acquisition contract shall be inoperative upon execution of a modification to this contract establishing contract prices pursuant to the clause "Establishment of Prices Under this Contract." Any references to technical manuals, standards or related documentation will be negotiated and checked for currency during the definitization of this AAC.

1. LIMITATION OF GOVERNMENT LIABILITY (AUG 1984) (NAVAIR 5252.216-9504)

(a) The amount presently available for payment and allotted to this contract for Item(s) 0001, 0002 and 0003 is [REDACTED]. It is understood and agreed that such amount will permit performance of the said Item(s) 0001, 0002 and 0003 through 31 December 2003. The Contracting Officer may, by unilateral modification to this contract, extend the date specified above. If the date is extended, the amount allotted and available for payment under this contract will be increased by an amount sufficient for the extended period of performance. The contractor is not authorized to make expenditures or to incur obligations and the Government shall not be obligated to reimburse the contractor for expenditures or obligations, in the performance of the Item(s) specified above, which exceed the amount allotted and available for payment under this contract.

(b) If the Item(s) specified in paragraph (a) above are terminated on or before definitization of this contract, the maximum amount for which the Government shall be liable shall not exceed the amount then available for payment and allotted under this contract for the said Item(s). The termination settlement shall be limited to that material acquired, effort performed, or both, which are determined to have been necessary to protect the delivery schedule set forth in this contract for the Item(s) cited in paragraph (a) of this clause.

(c) Unless otherwise specifically stated in any change order, change orders issued under this advance acquisition contract shall not increase the limitation of Government liability established in accordance with paragraph (a) above.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

2. IDENTIFICATION OF COSTS (MAR 1999) (NAVAIR 5252.216-9501)

The contractor shall identify all costs incurred under this advance acquisition contract from the costs of all other work currently being performed and from all contracts that are subsequently received.

3. ESTABLISHMENT OF PRICES UNDER THIS CONTRACT (OCT 1988) (NAVAIR 5252.216-9505)

(a) The prices for Item(s) 0001, 0002 and 0003 of this contract will be established on a fixed-price type basis. To accomplish this result, the parties shall promptly and in good faith negotiate prices of this contract that will be based on the terms and conditions contained in this contract together with any additional clauses required by law on the date of execution of the modification establishing prices. The contractor agrees to submit a fixed-price proposal and cost or pricing data supporting that proposal.

(b) The schedule for definitizing this contract is as follows:

Period of fact finding and Alpha contracting: 01 September to 14 November 2003*
Date for submission of contractor's Make-or-Buy Plan: 15 November 2003*
Date for submission of contractor's Subcontracting Plan: 15 November 2003*
Date for submission of contractor's Fixed-Price
Proposal and Supporting Cost or Pricing Data: 15 November 2003*
Date for beginning of negotiations: 01 December 2003*
Target date for definitization: 15 December 2003*

*The following definitization schedule is predicated on the receipt of the remaining FY 04 funding for the procurement of four (4) T56-A-427 turbo-prop engines.

(c) If agreement on a definitive contract to supersede this contract is not reached by the target date in paragraph (b) above, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the Head of the Contracting Activity, determine a reasonable price or fee in accordance with Subpart 15.8 and Part 31 of the FAR, subject to contractor appeal as provided in the Disputes clause.

H-2 ENVIRONMENTAL CONTROLS (JAN 1991) (NAVAIR 5252.223-9500)

Notwithstanding that the contract may require the use of paints or coatings which do not meet state or district requirements for reduced volatile organic compounds (VOC's), the contractor must comply with all federal, state, and local regulatory requirements respecting air quality and emission limitations as of the effective date of this contract. It remains the contractor's responsibility to meet the requirements for reduced VOC's even where to do so will require the use of engineering controls or other special painting equipment.

**H-3 GOVERNMENT PROPERTY FOR THE PERFORMANCE OF THIS CONTRACT
(FIXED-PRICE)(MAR 1991) (NAVAIR 5252.245-9500)**

(a) **Definition.** Government production and research property, as the term is used herein, shall consist of special tooling to which the Government has title or the right to acquire title, Government-owned special test equipment and Government-owned facilities as each term is defined respectively in FAR 45.101 and 45.301.

(b) **Authorization to Use Government Production and Research Property, Material, and Agency Peculiar Property Currently Covered by Government Contracts Without Rental Charge in Performing this Contract.** Government production and research property, material, and agency peculiar property covered by the following listed Government contracts on the effective date of this contract is hereby authorized for use on a rent-free, non-interference basis in the performance of this contract and sub-contracts of any tier issued hereunder:

F41608-95-C-1039

(c) **Authorization to Use Government Production and Research Property and Agency Peculiar Property to be Provided Under this Contract Without Rental Charge in Performing this Contract.** (This paragraph does not cover such property in possession of the Contractor or his subcontractors on the date of award of this contract.)

(1) Subject to the provisions of the Government Property clause of this contract, the Government hereby agrees to provide here under the Government production and research property and agency peculiar property identified in (c)(2) through (c)(5) to the Contractor. The Contractor is hereby authorized to use, on a rent-free basis, said property in the performance of this contract.

(2) Special Tooling (as defined in FAR 45.101):

None

(3) Special Test Equipment (as defined in FAR 45.101):

None

(4) Facilities (as defined in FAR 45.301):

NONE

(These facilities shall, when provided, become accountable under and be subject to that facilities contract, if any, in effect between the Government and the Contractor or any of his subcontractors at the plant where they are to be located during performance of this contract.)

(5) **Agency Peculiar Property (as defined in FAR 45.301 and DFARS 245.301):**

NONE

The following terms and conditions shall be applicable to the agency peculiar property, if any, identified above:

- (A) Each item of agency peculiar property shall be identified by its Federal Item Identification Number and Government Nomenclature;
- (B) The agency peculiar property shall be accounted for under this contract; and
- (C) Upon completion or termination of this contract, the Contractor shall request and comply with disposition instructions from the Contracting Officer.

(d) Government Material and Agency Peculiar Property to be Furnished Under this Contract. (This paragraph covers Government-owned material and agency peculiar property furnished to the Contractor for

- (1) Consumption in the course of manufacture, testing, development, etc., or
- (2) Incorporation in items to be delivered under this contract, e.g., Master Government-Furnished Equipment List (MGFEL).)

(A) Subject to the provisions of the Government Property clause of this contract, the Government hereby agrees to provide hereunder the Government-owned agency peculiar property and material identified in (d)(2)(A) and (d)(2)(B) to the Contractor. The Contractor is hereby authorized, as appropriate, (A) to consume the material identified in (d)(2) and the agency peculiar property identified in (d)(3) in performing this contract or (B) to incorporate such material and agency peculiar property in articles under this contract.

(B) Material (as defined in FAR 45.301): Government Furnished Equipment listed on the E-2C Master Government Furnished Equipment Lists incorporated with the specifications and the Government Owned Material Lists, Attachments (5) and (8).

Requisitioning Documentation. Contractor access to the federal supply system is permitted only when the material as well as the quantity is identified in the above paragraph. The contractor shall prepare requisitioning documentation for the above material in accordance with the "Military Standard Requisitioning and Issue Procedure (MILSTRIP) for Defense Contractors", DoD 4000.25-1-M, Chapter 11 and NAVSUP Publication 437 as revised by DoD AMCL 1 A guidance. The contractor must submit all requisitions for Government Furnished Material (GFM) from the supply system to the Material Control Activity (MCA) specified in Section G of this contract. Upon completion or termination of this contract, the Contractor shall request and comply with disposition instructions from the Contracting Officer.

(C) Agency Peculiar Property (as defined in FAR 45.301 and DFARS 245.301):

NONE

The terms and conditions made applicable to agency peculiar property in (c)(5) shall be applicable to the agency peculiar property, if any, identified above.

(e) Government Installations to be Made Available Under this Contract. (This paragraph covers Government installations, or portions thereof, to be made available to a contractor but not transferred to his possession — for example, test centers, wind tunnels, aircraft fields, as well as buildings, furniture, or equipment. Instructions may be needed to establish ground rules or plans governing availability of installations.)

(1) The Government hereby agrees to make available hereunder on a rent-free, non-interference basis for performing this contract the Government installations, or portions thereof, identified in (e)(2) in accordance with standard operating procedures and priorities unless otherwise specified in the Schedule. Although not "Government-furnished property" under this contract, the provisions of paragraph (a) of the Government Property clause of this contract shall apply to these installations.

(2) Installations: NONE

(d) Bailed Property to be used Under this Contract. (This paragraph will not obviate the need to set forth in this contract the terms of the project agreement as required by the pertinent bailment agreement.)

(1) The bailed property identified in (f)(2) is hereby authorized for use on a rent-free basis in the performance of this contract. Although not "Government-furnished property" under this contract, the provisions of paragraph (a) of the Government Property clause of this contract shall apply to this bailed property.

Bailment Agreement

**Under which
Accountable**

(2) Description Serial Number

NONE

(3) The bailed property identified in (f)(2) is furnished "as is" and the Government makes no representations or warranties with respect to such property, including the suitability of such property for the intended use.

(g) This clause shall in no event be construed to authorize rent-free use of any property identified above for any effort other than that called for under this contract.

(h) Installation Cost. The price of this contract constitutes full compensation to the Contractor for all costs to be incurred under this contract for the adaptation and installation of the property identified in this clause.

(i) Installation. Government production and research property, other than foundations and similar improvements necessary for the installation of special tooling, special test equipment, and plant equipment, as defined in FAR 45.101, shall not be installed or constructed on land not owned by the Government in such fashion as to be non-severable unless authority is granted by the Contracting Officer cognizant of the contract under which the property is provided in accordance with FAR 45.309.

(j) Limitation. This clause does not authorize the Contractor to acquire any property for the Government.

(k) The Contractor represents that the price and delivery schedule of this contract have been established in reliance on the Government granting the authorization in (b), (c), (d), (e) and (f), and that no charge has been included in this contract for use of the property as authorized above.

(l) Whenever the Contracting Officer authorizes or makes available the use, on a rent-free basis, of additional Government production and research property or other Government property in the performance of this contract or subcontracts of any tier under this contract, the contract will be equitably adjusted in accordance with the procedures provided for in the Changes clause.

(m) If the Government production and research property or other Government property authorized or made available above is decreased by the Government, the Contractor will be entitled to an equitable adjustment to the terms of this contract in accordance with the procedures provided for in the Changes clause hereof as a result of such decrease; provided, however, that if any such decrease is due to the failure of the Contractor or his subcontractors of any tier under this contract to fulfill their respective obligations either with respect to the Government property or with respect to the work such property is to be used to perform, the Contracting Officer will take such circumstances into account in establishing the equitable adjustment.

H-5 SPECIAL INSTRUCTIONS PERTAINING TO CERTAIN GOVERNMENT FURNISHED PROPERTY

(a) The Government will furnish to the Contractor for use in the performance of this contract, subject to and in accordance with the provisions of the clause entitled, "Government Property for the Performance of This Contract" hereof the following:

ONE PIECE METAL ENGINE SHIPPING CONTAINERS

(b) The Administrative Contracting Officer (ACO) shall insure that sufficient containers are available for at least a sixty (60) day period at all times until the end of the contract. In the event engine containers are not available for this period, the ACO shall contact the Engine container item Manager at the Naval Inventory Control Point, Philadelphia to furnish containers as required. An information copy of said request shall be forwarded to Naval Air Systems Command, 47123 Buse Road Patuxent River, MD 20670-1547, Attention: AIR-1.5.1E

(c) Metal engine containers furnished by the Government to the Contractor pursuant to provisions of this clause shall be delivered either to the plant of the Contractor or subcontractor designated by the Contractor and shall be inspected by a representative of the Government and a representative of the Contractor.

(1) Any used containers furnished by the Government that are determined to be repairable will be refurbished by the Contractor or its subcontractor to a degree that will assure protection of an engine during shipment and storage, in accordance with best commercial practice. The contractor may use MIL-C-5584C and MIL-C-9959 as guidance in addition to applicable container design drawings, at no increase in contract price. Said refurbishing does not include repair or overhaul. Refurbishing is defined to be normal replacement of parts damaged by normal wear and tear, plus touch-up painting, in order that the containers may be reused in the original configuration issued to the Contractor pursuant to the clause of the General Provisions entitled, "Government Property (Fixed Price)."

(2) Containers, deemed nonrepairable shall be disposed of in accordance with instructions of the Administrative Contracting Officer.

(d) It is understood and agreed that, if Government-furnished shipping containers or devices are not available at the time of engine shipment: the Government will accept these engines on engine assembly stands without containers or devices. The Contractor shall hold these engines for shipment with the Government assuming risk therefore to the extent provided in the "Government Property" clause until the containers or devices are available. Upon receipt of serviceable Government furnished container or devices, the Contractor shall pack these engines for the Government without increase in contract price.

H-6 SUPPLIES TO BE ACCORDED DUTY-FREE ENTRY (DEC 1991) (DOD FAR SUP 52.225-7008)

To be provided by contractor upon definitization of AAC.

H-7 RESERVED

H-8 ADDITIONAL INFORMATION PERTAINING TO FAR 52.227-7013 "RIGHTS IN TECHNICAL DATA AND COMPUTER SOFTWARE"

As prescribed in FAR 52.227-7013, "Rights in Technical Data and Computer Software," the parties acknowledge that notwithstanding the Government's rights under FAR 52.227-7037, "Validation of Restricted Markings on Technical Data (May 1987)," the technical data and computer software for the components/subassemblies of the T56-A-427 engine listed below have been identified by the Contractor as being provided with limited rights:

See Attachment 

This Clause in no way limits the rights to the Government or affects the agreements between the Government and the Contractor regarding the acquisition of rights in technical data/computer software described in Contracts N00019-83-C-0419, N00019-86-C-0290, N00019-86-C-0372, N00019-93-C-0061, N00019-95-C-0058, N00019-97-C-0049 or N00019-98-C-0122.

H-9 CONFIGURATION CONTROL PROCEDURES FOR ENGINEERING CHANGES, DEVIATIONS AND WAIVERS - MIL-STD-973, NOTICE 1 (DEC 1992) (NAVAIR 5252.243-9501) (To be negotiated during definitization)

(a) Any Engineering Change Proposal (ECP) or any Request for a Deviation/ Waiver affecting an item being acquired under this contract shall be in accordance with Sections 5.4.2 (ECP), 5.4.3 (Deviation), 5.4.4 (Waiver) of MIL-STD-973, dated 17 April 1992. Quantities and distribution shall be as stated on DD Form 1423 (Contract Data Requirements List), or the ECP distribution list attached thereto.

(b) No Class I engineering change shall be implemented until authorized by the Contracting Officer (CO).

(c) Each Class II engineering change shall be submitted to the cognizant contract administration office (CAO) for concurrence in classification.

(d) No major or critical deviation or waiver shall be effective until authorized in writing by the CO.

(e) Minor deviations shall be authorized (or disapproved) by the Administrative Contracting Officer.

(f) Minor waivers shall be processed by the local Material Review Board (MRB), when properly constituted in accordance with MIL-STD-1520, or in the absence of such MRB, shall be approved (or disapproved) by ACO.

(g) Notwithstanding paragraph 5.4.2.3.1.3 of MIL-STD-973, no Class I compatibility engineering change shall be implemented until authorized in writing by the PCO.

(h) Advance Change Study Notices (ACSNs) shall be in accordance with paragraph 5.4.2.3.1.2 of MIL-STD-973 when listed by attached CDRL DD Form 1423 to the contract.

(i) Any parts substitution affecting an item being acquired under this contract shall adhere to Section 5.4.5 of MIL-STD-973.

(j) Specification Change Notices (SCNs) and/or Notices of Revision (NORs) shall be in accordance with Sections 5.4.6 (SCNs) and 5.4.7 (NORs) of MIL-STD-973 when listed by attached CDRL DD Form 1423 to the contract.

(As used in paragraphs (b) and (d) of the foregoing clause, the term "Contracting Officer" (CO) means the "Procuring Contracting Officer" (PCO), or the "Administrative Contracting Officer" (ACO) if the contract provides that orders may be issued and priced by the ACO. The PCO or ACO may authorize only Class I engineering changes/ major or critical deviations or waivers that have been approved by a NAVAIR Headquarters Change Control Board.)

<End of clause>

or

(a) Any Engineering Change Proposal (ECP) or any Request for a Deviation affecting configuration items being acquired under this contract shall be in accordance with Sections 6.2 (ECP), 6.3 (Deviation), of MIL-HDBK-61A. Quantities and distribution shall be as stated on DD Form 1423 (Contract Data Requirements List), or the ECP distribution list attached thereto.

(b) Class I engineering change shall not be implemented without authorization by the NAVAIR Cognizant Airworthy Authority Change Control Board and the Procurement Contracting Officer (PCO).

(c) Class II engineering changes shall be submitted to the cognizant contract administration office (CAO) for concurrence in classification.

(d) No Critical or Major deviation shall be effective until authorized in writing by the PCO.

(e) Minor deviations shall be authorized (or disapproved) by the Administrative Contracting Officer in accordance with the local Material Review Board (MRB) procedures.

(f) Any parts substitution affecting an item being acquired under this contract shall adhere to the Parts Control Program.

(g) Notices of Revision (NORs) shall be in accordance with Section 6.4 of MIL-HDBK-61A and the CDRL DD Form 1423 to the contract.

H-10 T56-A-427 ENGINE WARRANTY

A. DEFINITIONS. The following terms shall have the following meanings when used in this warranty provision:

1. Acceptance: Execution of the acceptance block and signing of DD Form 250 by an authorized Government representative.

2. Supplies: The word "supplies" as used herein means end items furnished by the Contractor.

3. Defects: As used herein means any condition or characteristic in any supplies furnished by the Contractor under this contract that is not in compliance with the requirements of the contract.

4. Correct: As used herein means to eliminate the defects. Corrective action may include repair, replacement, redesign, and development and qualification of a modification to eliminate the defect and retrofit of such modification.

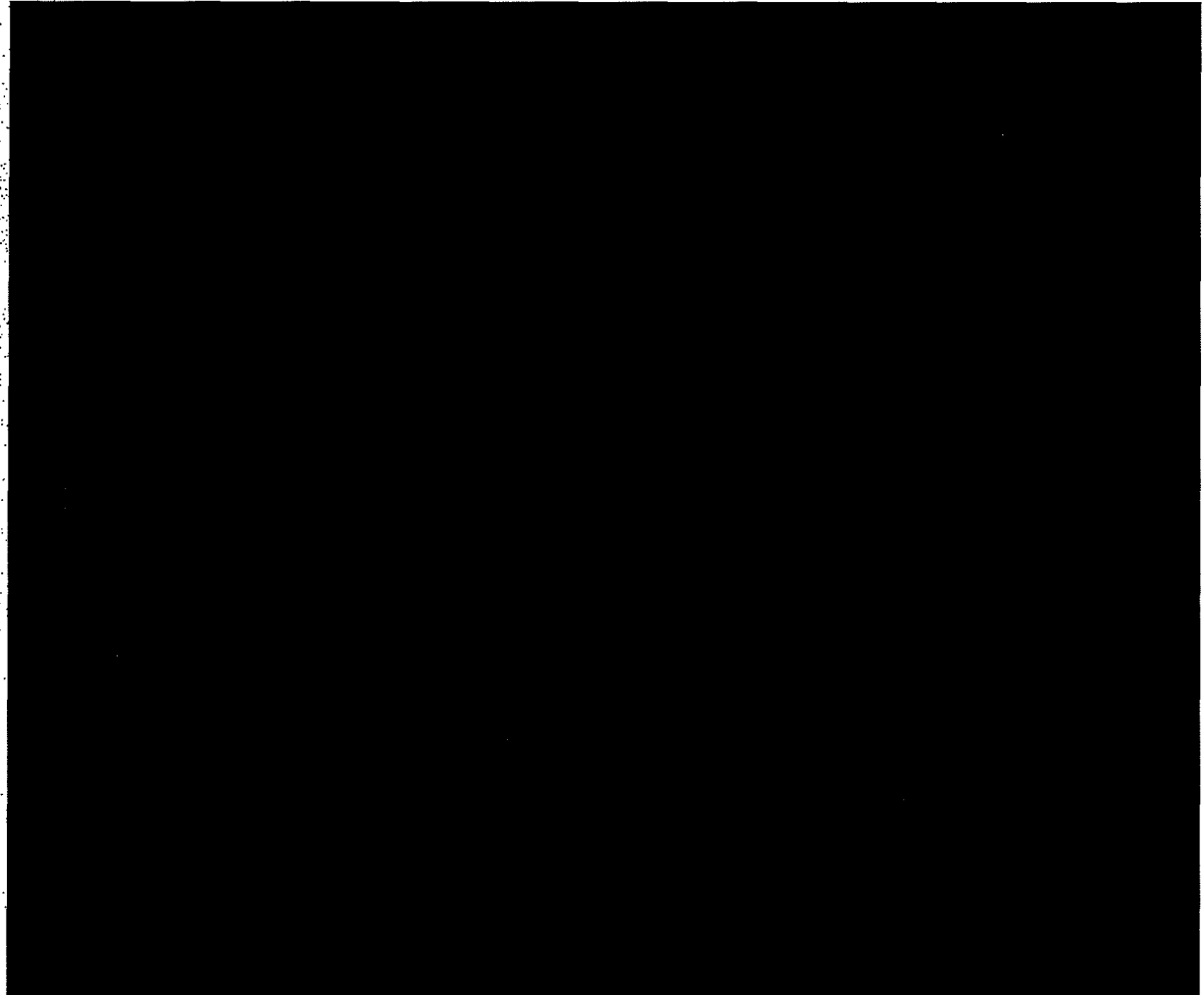
5. Organic Repair: As used herein means organizational, intermediate, or depot level repair actions performed by any Navy or other Department of Defense activity.

6. Essential Performance Requirements: As used herein means any operational capability, or other characteristic identified as an essential performance requirement necessary for the supplies to fulfill the military requirements for which they were designed. Each Engine tendered for delivery and accepted under this contract shall conform to the following essential performance requirements:

- (a) Shaft Horsepower deterioration [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- (b) SFC deterioration shall not exceed [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- (c) There shall be no non-recoverable surges attributed to Engine malfunctions as determined by the Engine Monitoring System [REDACTED]
- (d) The B 10 Life without repair or replacement of the individual hot section parts, defined in paragraph A.14 herein, of each Engine shall not be less than [REDACTED]

7. Cumulative Damage Index (CDI): This life usage index represents Engine Part damage relating to temperature effects (hot section) will be computed via a resident airborne algorithm which incorporates separate computations for stress rupture and hot corrosion effects. [REDACTED]. The ground based processor will utilize the airborne collected damage values for individual Engine CDI tracking.

CUMULATIVE DAMAGE INDEX (CDI) ALGORITHM



8. Flight Hours: A flight hour of an engine shall be deemed to begin when the aircraft in which an engine is installed first moves forward for a take-off run that results in airborne flight and to end when the aircraft is on the surface after such airborne flight. Such time shall be calculated per OPNAVINST 3710.7K-1010.

9. Foreign Object Damage (FOD): Damage to an Engine resulting from ingestion of material not installed within the Engine.

10. Surge: A response of the entire engine which is characterized by a stoppage or flow reversal in the compression system. A non-recoverable Surge is a Surge that requires that the Engine be shut down and restarted to restore satisfactory operation.

11. Design and Manufacturing Requirements: The structural and engineering plans and manufacturing particulars, including precise measurements, tolerances, materials and finished product tests.

12. Engine: T56-A-427 (includes power section, torque meter, accessory gearbox, and reduction gearbox).

13. Total Accumulated Cycles (TAC): This life usage index represents the count of Engine starts to 100 percent Engine rpm as determined by the Engine Monitoring System (EMS).

14. Hot Parts: Compressor Blades (all stages by individual part number). Turbine Blades (all stages by individual part number). Turbine Vane Assemblies (all stages by individual part number). Combustion Liners.

15. Structural Parts: Inlet Guide Vanes (by individual part number). Compressor Vane Assemblies (all stages by individual part number) Compressor Wheels and Spacers (all stages by individual part number) Turbine Wheels and Spacers (all stages by individual part number). Reduction Gearbox Serialized Parts (by individual part number).

16. Part: The lowest level Part stocked by the Navy as a spare and having a separate identifiable configuration Part number.

17. Specific Fuel Consumption (SFC): SFC is the weight in pounds of fuel consumed per hour per horsepower.

18. B 10 Life: Rated life, the time by which not more than 10 percent of the specified parts will have failed.

19. FST: Fleet Support Team

B. WARRANTY. The warranties expressed herein are in lieu of any implied warranty of merchantability or fitness for a particular purpose. Notwithstanding inspection and acceptance by the Government or any other provision of this Contract concerning the conclusiveness thereof, the Contractor warrants that:

1. Each engine tendered for delivery and accepted under this contract shall:

- (a) conform to all design and manufacturing requirements of the contract and amendments thereto for a period of 420 Flight Hours After Acceptance.
- (b) be free from defects in material and workmanship for a period of 420 Flight Hours After Acceptance, and
- (c) shall conform to the paragraph A.6 essential performance requirements for the periods specified therein.

2. This warranty will not be voided by organic repair.

C. NOTIFICATION OF BREACH.

1. Any paragraph B warranty will be enforceable only if the Contractor is notified of a breach of such warranty within the B.1 warranty period.

2. Such notification will be accomplished by:

- (a) A letter from the Contracting Officer or duly authorized representative, or
- (b) Conditions cited on the DD250 for acceptance of supplies, or
- (c) A Quality Deficiency Report, or
- (d) A Maintenance Action Form (MAF) and/or the Navy Aviation Warrant Program Report (AV3M warranty data report NAMSO 4790.A7230-01/02).

3. If the Contractor has knowledge of a defect constituting a breach of the warranty in paragraph B above, such knowledge shall be deemed to constitute written notice.

4. Within 60 (sixty) days of such notification, the Contractor shall submit to the Contracting Officer a written plan with recommended actions and a proposed schedule to remedy the breach.

5. The Contractor warrants that all corrective action pursuant to the Remedies section of this clause shall be completed and supplies tendered for redelivery to the Government within either

- (a) 60 (sixty) calendar days from the date of Contractor receipt of uncorrected supplies at the Contractor's plant or original point of delivery or
- (b) a schedule pursuant to a plan of action approved in writing by the Contracting Officer.

If the contractor is unable to provide corrective action within the applicable timeframe, the contractor shall request an extension, in writing, from the Contracting Officer.

6. **Warranty for Corrected or Replaced Supplies:** Any supplies or components replaced pursuant to this warranty are subject to the provisions of this clause, including those on remedies and notification, in the same manner as supplies or components initially delivered. For supplies or components corrected under this clause by repair, the Contractor shall be notified in writing of any breach of the warranty set forth in paragraph (B) above (including a description of the breach) within the B.1 warranty period.

7. The contractor shall, notwithstanding any disagreement regarding the existence of a breach of warranty, comply with the Contracting Officer's direction to correct the breach. If after the Contractor undertakes correction, it is determined that a breach of warranty did not occur, the price and other affected provisions of this contract will be equitably adjusted to compensate the Contractor for actions taken pursuant to this clause.

D. GOVERNMENT RIGHTS.

1. The Government's rights under this Contract because of latent defects, fraud, or such gross mistakes as amount to fraud, are not limited by this clause.

2. For any breach of a paragraph B warranty with respect to which timely notification is made in accordance with paragraph C, the Government shall be entitled to:

- (a) Require the Contractor, at no increase in contract price, to accomplish all applicable remedies in accordance with paragraph E.

E. REMEDIES.

1. **Corrective Actions:** In the event of a breach of the Contractor's Warranty in paragraph (B) above, the Government, at its election, may require the Contractor to take all actions necessary to correct the breach at no additional cost to the United States

- (a) Perform analyses of causes of defects or failures resulting in a breach of warranty provisions under this contract, propose corrective actions for such causes including schedules for performing such corrective actions, and, if so directed by the Contracting Officer, perform the corrective actions proposed as a result of such analyses;
- (b) Correct, at the original point of delivery or at the Contractor's plant, defective or nonconforming supplies;
- (c) Furnish, at the original point of delivery or at Contractor's plant, such materials or parts and installation instructions as may be required to complete successfully the corrective action; and
- (d) prepare and furnish new or revised data and reports associated with the corrective action, including all affected data delineated in the DD 1423s under this contract.

2. **Equitable Adjustment:**

- (a) If the Government elects not to require the Contractor to take corrective action for any breach of warranty under this clause, the Government shall be entitled to an equitable reduction in the price of such supplies.
- (b) If the Government performs or has performed the corrective action, the Government shall be entitled to the reimbursement of reasonable costs incurred to correct the deficiency.

3. When supplies require correction or replacement pursuant to this clause, the Government will bear the cost of transportation of those Engines, or portions of Engines, shipped to and from the Contractor's plant.

F. EXCEPTIONS AND CONDITIONS.

A paragraph B warranty shall not apply to an Engine suffering damage caused solely by:

- (a) Improper or negligent installation, operation or maintenance by Government personnel.
- (b) Foreign object damage.
- (c) Combat damage.
- (d) Sabotage or vandalism (applies only at Government facility).
- (e) Acts of God.

G. GOVERNMENT UNLIMITED RIGHTS IN DATA.

The parties agree that those portions of technical data required to be delivered by the Contractor in effecting corrections to paragraph B warranty breaches, shall be with "Government Purpose License Rights" as defined in DOD FAR SUP 52.227-7013, with the exception of those items identified in H-8.

H. ACCESS TO MAINTENANCE AND OPERATIONAL FACILITIES.

1. The Contractor shall be notified of and, at its election, may witness at the repair facility the disassembly or inspection of any Engine containing, or suspected of containing a warranty breach.

2. During the period of this warranty, and in support thereof, the Contractor shall have reasonable access to existing Government records relating to operation, inspection, and maintenance of the Engine at the place where such records are customarily maintained, and shall be entitled, to utilize and make copies, at its expense, of said records. The Contractor may also, from time to time, review pertinent maintenance and operational facilities.

I. COST TRACKING.

The Contractor shall maintain, a separate cost account of all costs associated with this clause. Such costs shall be segregated from any and all other costs associated with engines, tooling provisioned items or any other work, as well as from any costs associated with other contracts. Warranty reports will be generated quarterly, describing claims closed, claims outstanding and warranty program costs.

J. MARKING.

1. Each Engine, and each component (that is both repairable or replaceable at organizational level maintenance) shall have the work "warranted" and the paragraph B.1 warranty duration permanently and clearly imprinted on the name-plate.

2. Each Engine logbook and each component service record card shall be annotated to define the (a) type and duration of warranty coverage, (b) requirements for notification, (c) remedy, (d) disposition instructions, (e) applicable Contract, and (f) NAVAIR point of contact as follows:

(a) Warranty Type and Duration

I. Repair & Replacement Warranty

II. Redesign and Retrofit Warranty

Shaft Horsepower/SFC Deterioration:

Nonrecoverable Surge Free Operations:

Hot Section Parts Life:

whichever occurs first.

* Turbine Blades (all stages by individual part number)

* Turbine Vane Assemblies (all stages by individual part number)

* Combustion Liners

* Compressor Blades (all stages by individual part number)

(b) Warranty Notification

I. Repair and Replacement

"O" Level - Complete OPNAV form 4750/60. Visual Information

Display System/Maintenance Action Form (VIDS/MAF).

"I" Level - Same as "O" Level

"Depot" - Complete QDR and notify Fleet Support Team (FST)
of potential design breaches.

FST - Notify NAVAIRHQ of potential design breaches.

II. Redesign and Retrofit

All levels - Report potential design breach to CFA.

(c) Warranty Remedies:

I. Repair and Replacement

Repair of Deficient Engines, modules or components.

II. Redesign and Retrofit

Redesign and retrofit hardware to correct design deficiencies

(d) Hardware Disposition

I. Repair and Replacement

"O" Level - Process in accordance with OPNAVINST 4790: 2 series.

"I" Level - Return to normal repair point. Process in accordance with

"Depot" - IF warranty breach confirmed, issue QDR and either repair,

II. Redesign and Retrofit

FST - Report potential design breach to NAVAIRHQ.

(e) Applicable Contract: N00019-98-C-XXXX dated (specify date)

(f) NAVAIR point of contact: Commander, Naval Air Systems Command,
AIR-4.4.1 (T56) (301) 751-2396.

SECTION I - CONTRACT CLAUSES

The following contract clauses are hereby incorporated by reference:

<u>Clause No.</u>	<u>Title</u>	<u>Date</u>
FAR 52.202-1	Definitions	DEC 2001
FAR 52.203-3	Gratuities	APR 1984
FAR 52.203-5	Covenant Against Contingent Fees	APR 1984
FAR 52.203-6	Restrictions On Subcontractor Sales To The Government	JUL 1995
FAR 52.203-7	Anti-Kickback Procedures	JUL 1995
FAR 52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	JAN 1997
FAR 52.203-10	Price Or Fee Adjustment For Illegal Or Improper Activity	JAN 1997
FAR 52.203-12	Limitation On Payments To Influence Certain Federal Transactions	JUN 1997
FAR 52.204-2	Security Requirements	AUG 1996
FAR 52.204-4	Printed or Copied Double-Sided on Recycled Paper	AUG 2000
FAR 52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment	JUL 1995
FAR 52.211-5	Material Requirements	AUG 2000
FAR 52.215-2	Audit and Records--Negotiation	JUN 1999
FAR 52.215-8	Order of Precedence--Uniform Contract Format	OCT 1997
FAR 52.215-9	Changes or Additions to Make-or-Buy Program	OCT 1997
FAR 52.215-10	Price Reduction for Defective Cost or Pricing Data	OCT 1997
FAR 52.215-12	Subcontractor Cost or Pricing Data	OCT 1997

SECTION I - CONTRACT CLAUSES

<u>Clause No.</u>	<u>Title</u>	<u>Date</u>
FAR 52.215-14 Alt I	Integrity of Unit Prices (Oct 1997) - Alternate I	OCT 1997
FAR 52.215-15	Pension Adjustments and Asset Reversions	DEC 1998
FAR 52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions	OCT 1997
FAR 52.219-8	Utilization of Small Business Concerns	OCT 2000
FAR 52.219-9	Small Business Subcontracting Plan	JAN 2002
FAR 52.219-16	Liquidated Damages-Subcontracting Plan	JAN 1999
FAR 52.222-3	Convict Labor	AUG 1996
FAR 52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation	SEP 2000
FAR 52.222-19	Child Labor--Cooperation with Authorities and Remedies	SEP 2002
FAR 52.222-20	Walsh-Healy Public Contracts Act	DEC 1996
FAR 52.222-21	Prohibition Of Segregated Facilities	FEB 1999
FAR 52.222-26	Equal Opportunity	APR 2002
FAR 52.222-35	Equal Opportunity For Special Disabled Veterans, Veterans of the Vietnam Era and Other Eligible Veterans	DEC 2001
FAR 52.222-36	Affirmative Action For Workers With Disabilities	JUN 1998
FAR 52.222-37	Employment Reports On Special Disabled Veterans, Veterans Of The Vietnam Era and Other Eligible Veterans	DEC 2001
FAR 52.223-6	Drug Free Workplace	MAY 2001
FAR 52.225-8	Duty-Free Entry	FEB 2000

SECTION I - CONTRACT CLAUSES

<u>Clause No.</u>	<u>Title</u>	<u>Date</u>
FAR 52.225-13	Restrictions on Certain Foreign Purchases	JUL 2000
FAR 52.226-1	Utilization Of Indian Organizations And Indian-Owned Economic Enterprises	JUN 2000
FAR 52.227-1	Authorization and Consent	JUL 1995
FAR 52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement	AUG 1996
FAR 52.227-10	Filing Of Patent Applications--Classified Subject Matter	APR 1984
FAR 52.227-12	Patent Rights--Retention By The Contractor (Long Form)	JAN 1997
FAR 52.229-4	Federal, State And Local Taxes (Noncompetitive Contract)	JAN 1991
FAR 52.229-5	Taxes--Contracts Performed In U S Possessions Or Puerto Rico	APR 1984
FAR 52.230-2	Cost Accounting Standards	APR 1998
FAR 52.232-1	Payments	APR 1984
FAR 52.232-8	Discounts For Prompt Payment	FEB 2002
FAR 52.232-9	Limitation On Withholding Of Payments	APR 1984
FAR 52.232-11	Extras	APR 1984
FAR 52.232-16	Progress Payments	FEB 2002
FAR 52.232-17	Interest	JUN 1996
FAR 52.232-18	Availability Of Funds	APR 1984
FAR 52.232-23	Assignment Of Claims	JAN 1986
FAR 52.232-25	Prompt Payment	FEB 2002

SECTION I - CONTRACT CLAUSES

<u>Clause No.</u>	<u>Title</u>	<u>Date</u>
FAR 52.232-33	Payment by Electronic Funds Transfer--Central Contractor Registration	MAY 1999
FAR 52.232-34	Payment By Electronic Funds Transfer--Other Than Central Contractor Registration	MAY 1999
FAR 52.233-1	Disputes	JUL 2002
FAR 52.233-3	Protest After Award	AUG 1996
FAR 52.234-1	Industrial Resources Developed Under Defense Production Act Title III	DEC 1994
FAR 52.242-2	Production Progress Reports	APR 1991
FAR 52.242-4	Certification of Final Indirect Costs	JAN 1997
FAR 52.242-10	F.O.B. Origin--Government Bills Of Lading Or Prepaid Postage	APR 1984
FAR 52.242-12	Report of Shipment (REPSHIP)	JUL 1995
FAR 52.242-13	Bankruptcy	JUL 1995
FAR 52.243-1	Changes--Fixed Price	AUG 1987
FAR 52.243-7	Notification Of Changes	APR 1984
FAR 52.244-2	Subcontracts	AUG 1998
FAR 52.244-5	Competition In Subcontracting	DEC 1996
FAR 52.245-1	Property Records	APR 1984
FAR 52.245-2 Alt I	Government Property (Fixed-Price Contracts) (Dec 1989) - Alternate I	APR 1984
FAR 52.245-17	Special Tooling	DEC 1989

SECTION I - CONTRACT CLAUSES

<u>Clause No.</u>	<u>Title</u>	<u>Date</u>
FAR 52.245-18	Special Test Equipment	FEB 1993
FAR 52.246-23	Limitation Of Liability	FEB 1997
FAR 52.246-24 Alt I	Limitation Of Liability--High Value Items (Feb 1997) - Alternate I	APR 1984
FAR 52.246-25	Limitation Of Liability--Services	FEB 1997
FAR 52.247-1	Commercial Bill Of Lading Notations	APR 1984
FAR 52.247-63	Preference For U.S. Flag Air Carriers	JAN 1997
FAR 52.248-1	Value Engineering	FEB 2000
FAR 52.249-2	Termination For Convenience Of The Government (Fixed- Price)	SEP 1996
FAR 52.249-8	Default (Fixed-Price Supply & Service)	APR 1984
FAR 52.250-1	Indemnification Under Public Law 85-804	APR 1984
FAR 52.253-1	Computer Generated Forms	JAN 1991
DFARS 252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	MAR 1999
DFARS 252.203-7002	Display Of DOD Hotline Poster	DEC 1991
DFARS 252.204-7000	Disclosure Of Information	DEC 1991
DFARS 252.204-7003	Control Of Government Personnel Work Product	APR 1992
DFARS 252.204-7004	Required Central Contractor Registration	NOV 2001
DFARS 252.205-7000	Provisions Of Information To Cooperative Agreement Holders	DEC 1991

SECTION I - CONTRACT CLAUSES

<u>Clause No.</u>	<u>Title</u>	<u>Date</u>
DFARS 252.208-7000	Intent To Furnish Precious Metals As Government-- Furnished Material	DEC 1991
DFARS 252.209-7000	Acquisition From Subcontractors Subject To On-Site Inspection Under The Intermediate Range Nuclear Forces (INF) Treaty	NOV 1995
DFARS 252.209-7004	Subcontracting With Firms That Are Owned or Controlled By The Government of a Terrorist Country	MAR 1998
DFARS 252.211-7000	Acquisition Streamlining	DEC 1991
DFARS 252.215-7000	Pricing Adjustments	DEC 1991
DFARS 252.215-7002	Cost Estimating System Requirements	OCT 1998
DFARS 252.219-7003	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DOD Contracts)	APR 1996
DFARS 252.223-7001	Hazard Warning Labels	DEC 1991
DFARS 252.223-7004	Drug Free Work Force	SEP 1988
DFARS 252.223-7006	Prohibition On Storage And Disposal Of Toxic And Hazardous Materials	APR 1993
DFARS 252.225-7001	Buy American Act And Balance Of Payments Program	MAR 1998
DFARS 252.225-7002	Qualifying Country Sources As Subcontractors	DEC 1991
DFARS 252.225-7008	Supplies To Be Accorded Duty-Free Entry	MAR 1998

SECTION I - CONTRACT CLAUSES

<u>Clause No.</u>	<u>Title</u>	<u>Date</u>
DFARS 252.225-7009	Duty-Free Entry--Qualifying Country Supplies (End Products and Components)	AUG 2000
DFARS 252.225-7010	Duty-Free Entry--Additional Provisions	AUG 2000
DFARS 252.225-7012	Preference For Certain Domestic Commodities	APR 2002
DFARS 252.225-7014 Alt I	Preference For Domestic Specialty Metals (Mar 1998) - Alternate I	MAR 1998
DFARS 252.225-7016	Restriction On Acquisition Of Ball and Roller Bearings	DEC 2000
DFARS 252.225-7025	Restriction on Acquisition of Forgings	JUN 1997
DFARS 252.225-7026	Reporting Of Contract Performance Outside The United States	JUN 2000
DFARS 252.225-7031	Secondary Arab Boycott Of Israel	JUN 1992
DFARS 252.226-7001	Utilization of Indian Organizations and Indian-Owned Economic Enterprises-DoD Contracts	SEP 2001
DFARS 252.227-7013	Rights in Technical Data--Noncommercial Items	NOV 1995
DFARS 252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	JUN 1995
DFARS 252.227-7016	Rights in Bid or Proposal Information	JUN 1995
DFARS 252.227-7019	Validation of Asserted Restrictions--Computer Software	JUN 1995
DFARS 252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends	JUN 1995

SECTION I - CONTRACT CLAUSES

<u>Clause No.</u>	<u>Title</u>	<u>Date</u>
DFARS 252.227-7027	Deferred Ordering Of Technical Data Or Computer Software	APR 1988
DFARS 252.227-7030	Technical Data--Withholding Of Payment	MAR 2000
DFARS 252.227-7036	Declaration of Technical Data Conformity	JAN 1997
DFARS 252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 1999
DFARS 252.228-7005	Accident Reporting And Investigation Involving Aircraft, Missiles, And Space Launch Vehicles	DEC 1991
DFARS 252.231-7000	Supplemental Cost Principles	DEC 1991
DFARS 252.232-7004	DOD Progress Payment Rates	OCT 2001
DFARS 252.235-7003	Frequency Authorization	DEC 1991
DFARS 252.239-7016	Telecommunications Security Equipment, Devices, Techniques, And Services	DEC 1991
DFARS 252.242-7000	Postaward Conference	DEC 1991
DFARS 252.242-7003	Application For U.S. Government Shipping Documentation/Instructions	DEC 1991
DFARS 252.242-7004	Material Management And Accounting System	DEC 2000
DFARS 252.243-7001	Pricing Of Contract Modifications	DEC 1991

SECTION I - CONTRACT CLAUSES

<u>Clause No.</u>	<u>Title</u>	<u>Date</u>
DFARS 252.243-7002	Requests for Equitable Adjustment	MAR 1998
DFARS 252.245-7001	Reports Of Government Property	MAY 1994
DFARS 252.249-7002	Notification of Anticipated Program Termination or Reduction	DEC 1996

SECTION I - CONTRACT CLAUSES

The following contract clauses are hereby incorporated in full text:

I-1 FAR 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

(a) The Contractor shall make the following notifications in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall--

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

I-2 FAR 52.216-24 LIMITATION OF GOVERNMENT LIABILITY (APR 1984)

(a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding [REDACTED] dollars.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is [REDACTED] dollars.

SECTION I - CONTRACT CLAUSES

I-3 FAR 52.223-11 OZONE-DEPLETING SUBSTANCES (MAY 2001)

(a) Definition. Ozone-depleting substance, as used in this clause, means any substance the Environmental Protection Agency designates in 40 CFR part 82 as--

(1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or

(2) Class II, including, but not limited to, hydrochlorofluorocarbons.

(b) The Contractor shall label products which contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E, as follows:

"WARNING: Contains (or manufactured with, if applicable), a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere."-----

The Contractor shall insert the name of the substance(s).

I-4 FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

[Http://farsite.hill.af.mil](http://farsite.hill.af.mil)

I-5 DFARS 252.211-7005 SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATIONS AND STANDARDS (OCT 2001)

(a) Definition. "SPI process," as used in this clause, means a management or manufacturing process that has been accepted previously by the Department of Defense under the Single Process Initiative (SPI) for use in lieu of a specific military or Federal specification or standard at specific facilities. Under SPI, these processes are reviewed and accepted by a Management Council, which includes representatives of the Contractor, the Defense Contract Management Agency, the Defense Contract Audit Agency, and the military departments.

(b) Offerors are encouraged to propose SPI processes in lieu of military or Federal specifications and standards cited in the solicitation. A listing of SPI processes accepted at specific facilities is available via the Internet in PDF format in Excel format at <http://www.dcmam.mil/onebook/0.0/0.2/reports/modified.xls>.

(c) An offeror proposing to use an SPI process in lieu of military or Federal specifications or standards cited in the solicitation shall--

(1) Identify the specific military or Federal specification or standard for which the SPI process has been accepted;

(2) Identify each facility at which the offeror proposes to use the specific SPI process in lieu of military or Federal specifications or standards cited in the solicitation;

I-6 DFARS 252.211-7005 SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATIONS AND STANDARDS (OCT 2001) (CON'T)

(3) Identify the contract line items, subline items, components, or elements affected by the SPI process; and

(4) If the proposed SPI process has been accepted at the facility at which it is proposed for use, but is not yet listed at the Internet site specified in paragraph (b) of this clause, submit documentation of Department of Defense acceptance of the SPI process.

(d) Absent a determination that an SPI process is not acceptable for this procurement, the Contract shall use the following SPI processes in lieu of military or Federal specifications or standards:

(Offeror insert information for each SPI process)

SPI Process: _____

Facility: _____

Military or Federal Specification or Standard: _____

Affected Contract Line Item Number, Subline Item Number, Component, or Element: _____

(e) If a prospective offeror wishes to obtain, prior to the time specified for receipt of offers, verification that an SPI process is an acceptable replacement for military or Federal specifications or standards required by the solicitation, the prospective offeror--

(1) May submit the information required by paragraph (d) of this clause to the Contracting Officer prior to submission of an offer; but

(2) Must submit the information to the Contracting Officer at least 10 working days prior to the date specified for receipt of offers.

SECTION I - CONTRACT CLAUSES

I-7 DFARS 252.217-7027 CONTRACT DEFINITIZATION (OCT 1998)

(a) A firm-fixed price type contract is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the undefinitized contract action, (2) all clauses required by law on the date of execution of the definitive contract action, and (3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a firm-fixed price type proposal and cost or pricing data supporting its proposal.

(b) The schedule for definitizing this contract is as follows (insert target date for definitization of the contract action and dates for submission of proposal, beginning of negotiations, and, if appropriate, submission of the make-or-buy and subcontracting plans and cost or pricing data).

Period of fact finding and Alpha contracting: 01 September to 14 November 2003*

Date for submission of contractor's Make-or-Buy Plan: 15 November 2003*

Date for submission of contractor's Subcontracting Plan: 15 November 2003*

Date for submission of contractor's Fixed-Price

Proposal and Supporting Cost or Pricing Data: 15 November 2003*

Date for beginning of negotiations: 01 December 2003*

Target date for definitization: 15 December 2003*

*The following definitization schedule is predicated on the receipt of the remaining FY 04 funding for the procurement of one (1) Hawkeye 2000 E-2C Aircraft and one (1) TE-2C Flight Trainer Aircraft in FY 04.

(c) If agreement on a definitive contract action to supersede this undefinitized contract action is not reached by the target date in paragraph (b) of this clause, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with subpart 15.4 and part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the Limitation of Government Liability clause.

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by--

(i) All clauses required by the FAR on the date of execution of this undefinitized contract action for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

SECTION I - CONTRACT CLAUSES

I-8 DFARS 252.217-7027 CONTRACT DEFINITIZATION (OCT 1998) (CON'T)

(2) To the extent consistent with paragraph (c)(1) of this clause, all clauses, terms, and conditions included in this undefinitized contract action shall continue in effect, except those that by their nature apply only to an undefinitized contract action.

(d) The definitive contract resulting from this undefinitized contract action will include a negotiated firm-fixed price in no event to exceed XXX - To be determined.

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J - LIST OF ATTACHMENTS

Documents, Exhibits and Other Attachments

Exhibit A (Items 0004), Contract Data Requirements List, DD Form 1423.

It is anticipated that the following CDRLs that usually support engine production contracts will be covered in either the definitized contract resulting from this AAC or in the Power By The Hour (PBTH) contract with Rolls Royce:

- Engineering Drawings and Associated List, Level 3
- Engineering Change proposal (Class II)
- Request for Deviations
- Request for Waiver
- Logbook and Records Aircraft and Aeronautical Equipment
- Technical Directives
- Specification Change Notice
- Failure Summary and Analysis Report
- Parts Approval Requests
- System Safety Report
- Support Equipment Recommendation Data (SERD)
- Design Change Notice
- Supplementary Provisioning Technical Documentation
- Airframe and Engine Tracked Components and New item Information
- Cost Data Summary Report DD 1921 (Contractor Cost Data Reporting - CDDR)
- Engineering Change Proposal (ECP)

Supplement 1 to the Exhibits, DD Form 1423 (Contract Data Requirements List) Addressee List - *to be inserted at time of contract definitization.*

Supplement 2 to the Exhibits, Distribution Statement on Technical Documents - *to be inserted at time of contract definitization.*

Attachment (1): Statement of Work for F36-A-427 Engine Parts Control Program

Attachment (2): Statement of Work for F36-A-427 Reliability and Maintainability Program

Attachment (3): Contractor Cost Data Reporting (CDDR) Plan for F36 Engine Program

Attachment (4): Logistic Applications of Automated Marking and Reading Symbols (LOGMARS)

Attachment (5): Limited Rights Parts

STATEMENT OF WORK FOR T56-A-427 ENGINE PARTS CONTROL PROGRAM

The Contractor shall establish a parts control program for newly designed and/or modified equipment in accordance with MIL-HDBK-965, procedure I, and as stated below.

- a. Standard/Nonstandard/Approved Parts.
 - (1) Standard Parts. Standard parts are those parts listed in the government furnished baselines (GFBs); The consolidated GFB for Mechanical Parts and the consolidated GFB for Electrical/Electronic Parts. The GFBs are recognized as an official list of approved parts. The contractor shall identify, by index number, all GFB parts selected for use on the newly designed and/or modified portion of the equipment and submit a list to the acquisition activity and appropriate Military Parts Control Advisory Group (MPCAG) whenever selections are made.
 - (2) Nonstandard Parts. Nonstandard parts are those parts not covered by the GFB's.
 - (3) Approved Parts. Approved parts consist of (a) standard parts, (b) nonstandard parts which have been submitted and approved for use on the system, and _ parts, or lists of parts, which have been defined as approved within the detailed requirements of the contract.
- b. Review and Approval of Parts. All nonstandard parts which are required for use by the Contractor or subcontractor must be screened by the appropriate (MPCAG) and approved by NAVAIR or NAVAIR's designated agent prior to usage. Procedures for nonstandard part screening and approval requests shall be in accordance with DI-MISC-80071C and procedure I of MIL-HDBK-965.
- c. Program Parts Selection Lists (PPSL). The MPCAGs shall maintain a PPSL consisting of all standard parts and nonstandard parts which have been selected for use on the system. The PPSL will reflect the approval/disapproval status of all nonstandard parts submitted.
- d. Parts Selection. If parts cannot be selected from GFBs, then maximum use of military Established Reliability (ER) specifications, JAN TX or JAN TXV semiconductor specifications, and MIL-M- 38510 microcircuit specifications (Class B) shall be emphasized. All contractor and subcontractor parts selection shall be governed by the appropriate standardization and design requirements of:

*MIL-BUL-147,
MIL-STD-1515,
MIL-STD-1599,
MIL-W-5088 and
MIL-T-28800.*

STATEMENT OF WORK FOR T56-A-427 ENGINE RELIABILITY AND MAINTAINABILITY PROGRAM

1.0 (U) RELIABILITY PROGRAM REQUIREMENTS.

- 1.1 (U) GENERAL. Reliability considerations during the engine production program phase are critical. The Contractor's manufacturing quality program shall be responsible for reliability requirements during engine and component production.

This document establishes the Reliability Program requirements for the T56-A-427 engine program during the system use and life-cycle support phase and supplements and modifies the requirements of MIL-STD-785 dated 5 August 1988.

- 1.2 (U) SPECIFIC. It is the government's intent to have an active Reliability Program during the T56-A-427 system use and life-cycle support phase.

1.3 (U) RELIABILITY TASKS.

- 1.3.1 (U) RELIABILITY PROGRAM. The Contractor shall maintain a Reliability Program in general accordance with MIL-STD-785 to fulfill the requirements of this document and the T56-A-427 engine specification. The Contractor shall prepare a Reliability Program in general accordance with Task 101 of MIL-STD-785. The Reliability Program Plan shall address all reliability aspects of the system use and life-cycle support phase of the engine program. The reliability program is to have the signature approval of the Contractor's reliability manager and program management.

The existence of an approved Reliability Program and related documents shall not relieve the Contractor of his responsibility to furnish articles which are compliant with specified performance requirements and to continually pursue achievement of specified reliability levels.

- 1.3.2 (U) RELIABILITY ORGANIZATION. The Contractor shall designate one organization responsible for the reliability function and assign individual responsibility for program reliability activities. The individual shall be delegated sufficient authority to effectively implement the reliability program. The designated individual shall serve as the principle contact for the Navy for all reliability subject matters.

- 1.3.3 (U) RECORDS AND REPORTS. The Contractor shall maintain verifiable objective evidence that all reliability program tasks have been performed in accordance with the program plan. Contractor internal records and reports such as field service reports, technical data reports, metallurgical reports, engine teardown reports, quality deficiency reports, warranty reports, and vendor tests shall be maintained in the Contractor's format and made available for review upon request.

- 1.3.4 (U) FAILURE REPORTING, ANALYSIS, AND CORRECTIVE ACTION (FRACAS).

The Contractor shall maintain a closed loop Failure Reporting, Analysis and Corrective Action System (FRACAS) in accordance with the Reliability Program Plan and in general accordance with Task 104 of MIL-STD-785.

The FRACAS shall have provisions for reporting and analysis of all hardware failures and correction of significant failures that occur during the system use and life cycle support phase of the engine program, to include flight-test at the airframer's facilities. The Contractor shall provide for reporting and traceability of all reported failures from discovery to closeout. The evidence of any failure trend in the cumulative data shall require the Contractor to perform a failure analysis and recommend corrective action. The Contractor's existing data collection, analysis, and corrective action system shall be used with minimum changes necessary to meet these requirements.

1.3.4.1 (U) FAILURE REPORTING. Failures, malfunctions or nonconformances experienced on all components, SRAs, modules and end item articles during the system use and life-cycle support phase shall be recorded by the Contractor. Logbook entries shall include failure analyses and corrective actions to reduce or prevent repetition of all failures. Logbook entries shall include the date of occurrence, engine identification, part identification, narrative description of malfunction, effect of the malfunction, and action taken. Data shall be retained at the original level of detail and identification.

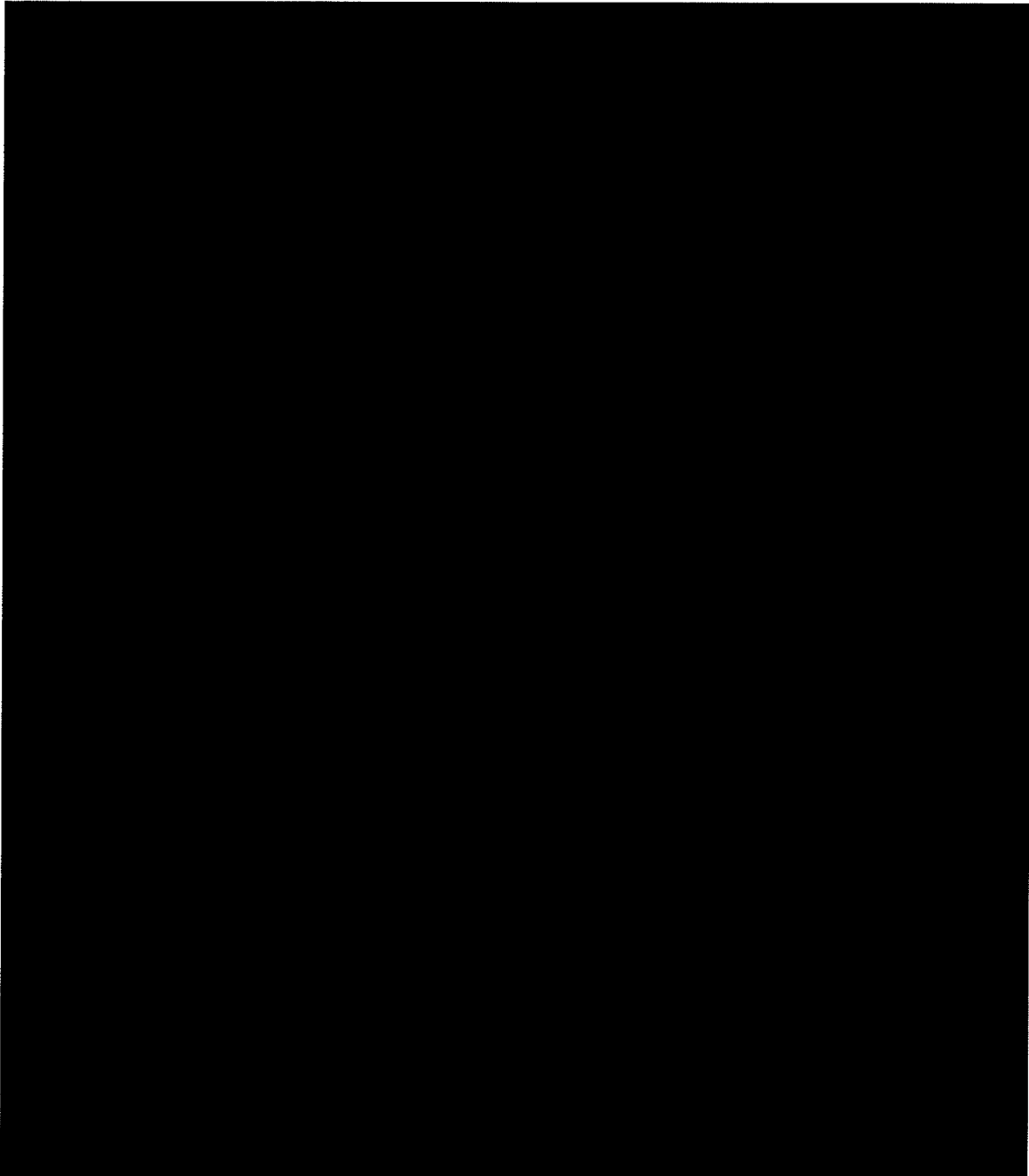
For Allison engine hardware returned by airframe contractors or the U.S. Navy that have failed during airframe contractor testing, assembly, checkout, or flights prior to aircraft acceptance, the Contractor shall prepare a repair report and for repeat failures, perform a detailed failure analysis and propose corrective action.

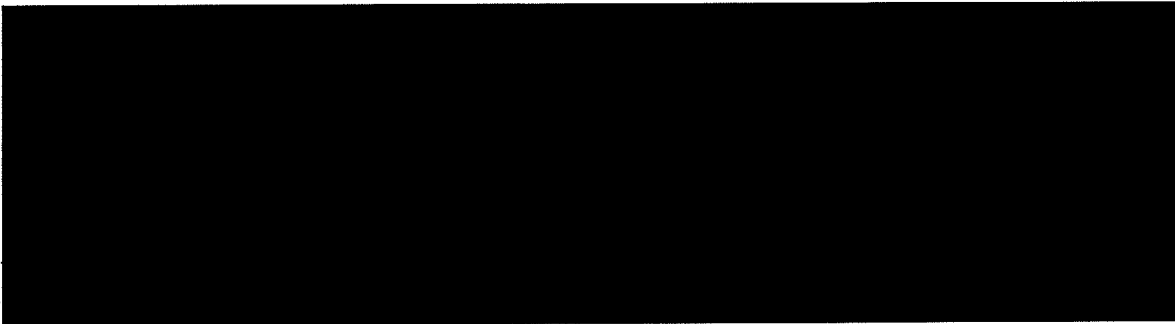
1.3.5 (U) RELIABILITY ASSURANCE FOR SPARES AND REPAIR PARTS.

The Contractor shall follow the Reliability Program Plan to ensure that the reliability of spare and repair parts is no less than that provided in the originally delivered hardware. Particular attention shall be given to nonstandard parts and critical items whose failure may cause crew injury or loss, or mission loss.

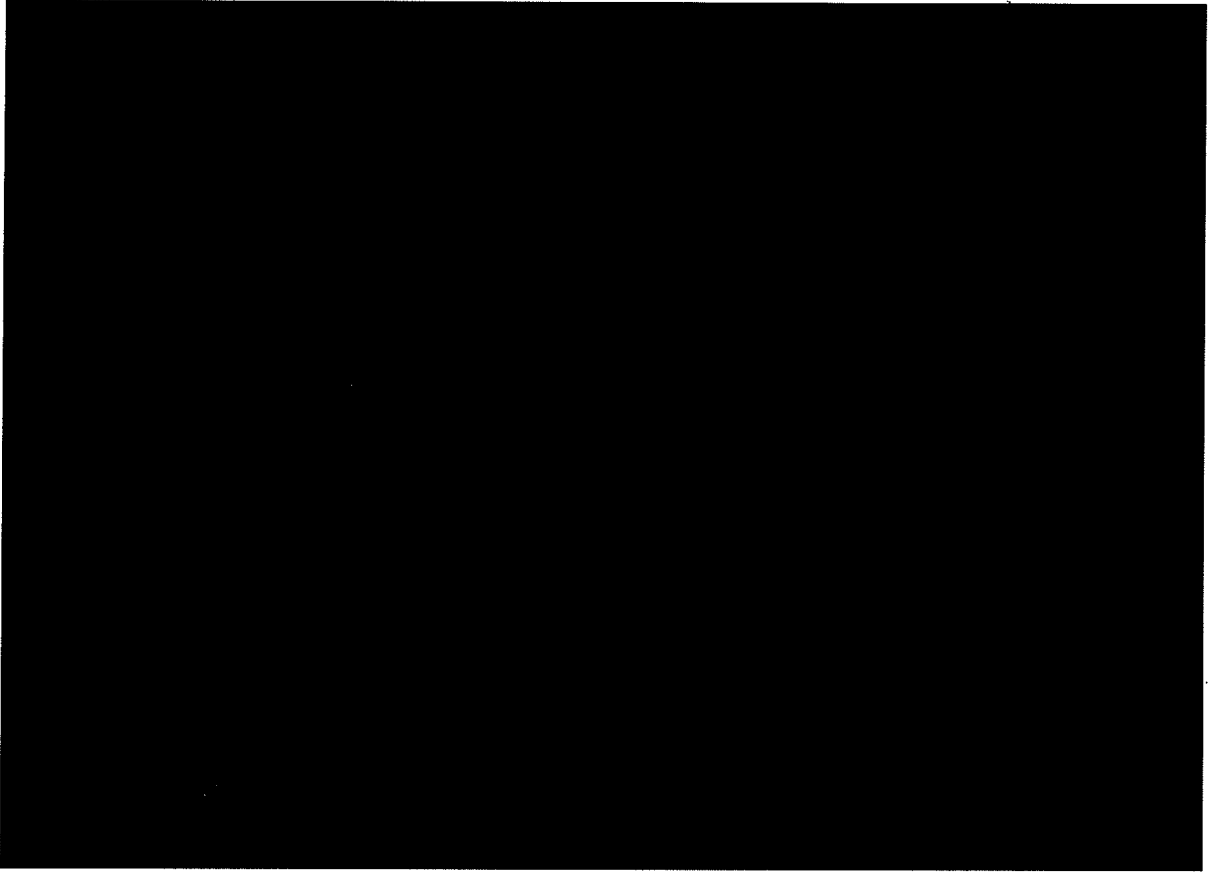
1.3.6 MONITOR/CONTROL OF SUBCONTRACTORS AND VENDORS. The Contractor is responsible for assuring that the reliability levels achieved by his subcontractors and suppliers are consistent with the overall reliability and maintainability requirements for the T56-A-427 engine program.

**CONTRACTOR COST DATA REPORTING (CCDR) PLAN
FOR THE T56-A-427 ENGINE PROGRAM**





ATTACHMENT (3)
(2/3)



ATTACHMENT (3)

(3/3)

Logistics Applications of Automated Marking

Marking for Shipment Bar Coding Required. Items supplied hereunder may be marked for shipment in accordance with MIL-STD-129M, Appendix H, including bar coding in accordance with MIL-STD-1189A, as clarified below:

- a. The National Stock Number (NSN), Navy Item Control (NICN) or local stock number in bar code shall include only the thirteen characters of the stock number, without prefixes, suffixes, dashes or spaces.
- b. The 13-character contract number and the 4-character delivery order or call number, when used, shall be bar coded with no dashes or spaces encoded.
- c. The Human Readable Interpretation (HRI) shall be an exact interpretation of the bar code data and will not contain spaces or dashes.
- d. HRI no longer must be in OCRA, does not have to be machine readable and may be in any easily readable print.
- e. HRI may appear either above or below the bar code, but preferably below.
- f. The preferred bar code density (characters/inch) is "high" but densities from "high" to "low" are acceptable. Densities are defined in MIL-STD-1189A.
- g. Unless otherwise specified, the minimum bar code height shall be 0.25 inch (6.35mm).
- h. The bar code shall be machine readable in three or fewer attempts with a pen scanner or two or fewer attempts with a laser gun scanner.
- i. On unit and intermediate packs, the stock number in bar code with HRI below may be on the same label as other data required by MIL-STD-129M, Appendix H. However, the bar coded stock number will appear on the top line with the HRI on the second line. The complete NSN including the prefix, suffix, dashes and spaces shall be reflected as part of the item identification markings, in accordance with MIL-STD-129M.
- j. On outer containers:
 - (1) Preferably the stock number and contract number will be stacked on two separate lines, with the stock number immediately above the contract number.
 - (2) The stock number and the contract number may be encoded on the same line, with the stock number preceding the contract number, but shall be separated by a 0.5 inch space.
- k. Multipacks (shipping container enclosing two or more items with different stock numbers) shall be bar coded as follows:
 - (1) Item identification markings will not be bar coded on the exterior shipping container of multipack shipments. However, unit packs and intermediate containers require bar code markings as described in MIL-STD-129M, Appendix H.
 - (2) The contract number will be bar coded on the exterior shipping container of the multipack if the number applies to all unit and intermediate containers in the multipack. If mixed contract numbers are contained in the multipack, then each unit or intermediate container will have the contract data bar coded as required by MIL-STD-129M, Appendix H, and the exterior container will not be bar coded.
- l. Ammunition markings shall be in accordance with Appendix G vice Appendix H of MIL-STD-129M

m. Excluded from bar code markings are:

- (1) Items described solely by reference to the Contractor's Part Number and for which NSN's neither exist nor will be assigned.
- (2) Items consigned to a prime contractor's plant for installation in production items.
- (3) Items that are designated for immediate use by the Navy and will not be placed in stock.
- (4) Material for Commissary Stores and the Armed Forces Exchange system.
- (5) Brand name resale items.
- (6) Perishable subsistence items.
- (7) Bulk POL.
- (8) Nuclear ordnance.
- (9) Personal property/household goods unless in the DoD transportation pipeline.
- (10) Disassembled crates/containers, sheet fiberboard, plywood, lumber and grocery bags.

Attachment #5

T56-A-427 LIMITED RIGHTS COMPONENTS

Item Number

Description

